

FEDERAL LEGISLATIVE ACTION REQUEST

September 10, 2010
Illinois Farm Bureau
Governmental Affairs and Commodities

Who to Contact	U.S. Senators Durbin and Burris
Method of Contact	Telephone calls
Number of Contacts Requested	50 per IFB Board District (average of 10 per CFB)
Date of Contacts	September 14-16, 2010
Issue Summary	Estate Tax
Staff Contact	Adam Nielsen (309-557-3152 or anielsen@ifb.org)

ACTION MESSAGE

If Congress fails to act on the federal estate tax, it will return in full force in 2011 with a \$1 million personal exemption and 55% tax rate.

- Action is needed now!
- Request a vote on the Lincoln/Kyl amendment with the Senator's support.
- (Personalize your message -- how will this impact you if action is not taken?)

CONTACT INFORMATION

- Senator Durbin at 202-224-2152
- Senator Burris at 202-224-2854

REPORTING CONTACTS

Report Deadline: September 20, 2010

Report contacts through one of the following:

- Call 800-879-1976
- Email fbact@ifb.org
- Contact county Farm Bureau (and the CFB can report contacts to mkobbeman@ifb.org or 309-557-3984)
- Visit with Legislative Action Center (<http://capwiz.com/ifb/state/main/?state=IL>)

TALKING POINTS (to be used as a guide for your own words)

(PROPOSED SCRIPT FOR CALL)

- Hello. My name is
- I reside in (town), Illinois.
- I am calling to ask Senator (Burris/Durbin) to request a vote with the Senator's support on the Lincoln/Kyl amendment regarding the federal estate tax.
- It is critical that action be taken now on this issue.
- (personal impact of issue)
- Thank you for your time.

BACKGROUND INFORMATION

We need action this year on the estate tax. While we support permanent elimination, we recognize that is not feasible in the current political and fiscal environment. Our policy states if permanent elimination is not feasible, we will push for the

highest possible personal exemption. Farm Bureau strongly supports Lincoln-Kyl to help families transfer their farms to the next generation.

- Lincoln-Kyl proposes to gradually increase the personal exemption from \$3.5 to \$5 million over the next 10 years and index it to inflation. The tax rate would gradually drop over the next decade from 45% to 35%. The stepped up basis is included. Under the plan, 2010 estates would have the option of Lincoln-Kyl or carry-over basis.
- The 2009 estate tax was a \$3.5 million personal exemption and 45% tax rate.
- If Congress does not act, we will face an estate tax next year with a personal exemption of \$1 million and a tax rate of 55%.
- Under that scenario, ten times more farm estates will be required to file estate tax returns next year, according to USDA ERS. That's ten times the number of surviving family members who will have to consider selling off part of their farm to settle the estate.
- Farmland values have doubled in Illinois over the past six years. Farmland accounts for 84% of the average farmer's assets.
- Estate tax planning is costly and consumes resources that could be invested in the farm or spent at local businesses.
- Individuals, family partnerships or family corporations own 98% of our nation's 2 million farms and ranches.
- Estate taxes threaten family owned farm and ranches and the livelihoods of families who make their living in production agriculture.
- It takes two and half years of farm returns for a moderate-sized farm operation to pay off the estate tax owed.
- The deaths of notable people like George Steinbrenner remind us that the failure of Congress to act this year cost the federal government roughly \$30 billion in revenue.
- Use your personal stories!