

## **W&M Member Day Death Tax Remarks**

Thank you, Chairman Smith, Ranking Member Neal, and Members of the Committee. I come before you today to stress the importance, on behalf of all Montanans, of making sure the Trump tax cuts do not expire. Many of these provisions, like lower marginal tax rates, a higher standard deduction, and the 20 percent deduction for pass-through businesses, are a lifeline for hardworking Montanans. Allowing the 2017 Tax Cuts and Jobs Act, or TCJA, to expire would result in a massive tax hike for my constituents. The average taxpayer in Montana's Second Congressional District would see a staggering 26% tax increase.

One tax provision of the Trump tax cuts is particularly important, and that is the estate tax, or more appropriately named—the Death Tax.

The TCJA over doubled the estate tax exemption, increasing from \$5 million to \$11.5 million per person. Estates that fall outside of the exemption can face up to a 40% tax on the market value of the estate when transferring to an heir at the time of death. So if the Trump tax cuts expire, nearly 15,000 Montana family farms would see their Death Tax Exemption slashed in half starting next year.

How is this fair? Farmers and ranchers across the country already face constant uncertainty from weather and market fluctuations. Montana is a heavy producer of cattle and wheat, which accounts for three-quarters of our agricultural cash receipts. In fact, Montana is the largest producer of lentils in the United States.

U.S. farmers and ranchers put food on all of our tables. Unfortunately, many people that want to gut the Death Tax exemption simply see high asset values on farms and think they need to be soaked in taxes. But nothing could be further from the truth. Most of these farms, especially in Montana, are what we call “land rich and cash poor,” meaning many of

these families do not have the cash to pay these exorbitant taxes. So what does that mean? That means when the family is suffering from the loss of a loved one, they are then forced to sell equipment or the entire business just to be able to write a check to the IRS. The Death Tax is especially pernicious in Montana, where development pressures—thanks to conservative leadership bringing jobs and growth—have increased land values.

Let me be clear, the Death Tax is a punitive tax on families who are already suffering. By no accounts are these ultra rich people avoiding paying their fair share, they are simply working their tails off to make sure we have food to eat, with little appreciation. I strongly believe the Death Tax should be eliminated in its entirety. Its sole purpose seems to be to make hardworking, grieving families suffer even more. But at a bare minimum, I implore the Members of this Committee to make sure that farms and ranches in Montana, or the two million across the United States, do not see a massive tax hike come 2026. Thank you for listening to my testimony, and I am happy to answer any questions you may have.