

December 3, 2009



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Dear Congressman:

Please oppose H.R. 4154, the Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009.

Texas Cattle Feeders Association (TCFA) represents cattle feeders and feedyards in Texas, New Mexico and Oklahoma—an area that markets approximately 6.5 million head annually – accounting for roughly 30% of the nation's fed beef. TCFA has consistently supported efforts to either repeal or significantly reform the estate tax. While permanent repeal of the estate tax is the preferred option, we realize that this is financially and politically unobtainable at this time and support a compromise solution that advocates for an increased exemption amount indexed to inflation and a decreased tax rate. However, we do not believe that the provisions of H.R. 4154 to make permanent the current \$3.5 million exemption level that is not indexed to inflation and the 45 percent rate are sufficient reforms.

The issue of estate tax reform is of critical importance to farm and ranch families and their ability to plan for a future. With exaggerated land values in urban encroachment areas and substantial investments in buildings, equipment and permanent crops, it does not take long to reach the current exemption level. The USDA Economic Research Service estimates that one in ten farm estates (farms with sales of \$250,000 or more annually) are likely to owe estate taxes in 2009.

For years, farmers and ranchers have shared their personal stories regarding the affects the estate tax has had on their operations. When a death occurs in the family, survivors are often forced to make tough decisions, finding they have to expend operating capital, sell equipment or sell off a part or all of the operation, just to pay for the new estate tax debt incurred. This is money that could have otherwise been reinvested to maintain or grow the family business and hand it down to future generations. However, largely because of estate tax liabilities, only 30% of the nation's 2.1 million farms and ranches will pass to a second generation, and less than 10% will reach a third.

This legislation is a disservice to the farmers, ranchers and other small business owners in your district. Keeping these businesses in the family will provide multiple benefits for our nation. In addition to ensuring food security, maintaining family ownership will ensure the preservation of rural areas, open space lands and maintain knowledge of the soil, water, wildlife habitat and other resources that assure continuity of stewardship practices.

We urge all members of the House of Representatives to oppose H.R. 4154 and instead pass legislation that will provide meaningful relief for family owned farms, ranches and other small businesses facing this onerous tax.

Sincerely,



Ross Wilson  
President & CEO