

Resolution No. 22

Date: 9/25/2010

City: New York, NY

NAHB Resolution

Title: Estate Tax
Sponsor: Federal Government Affairs Committee
Submitted by: Stillman Knight

WHEREAS, NAHB policy as part of support for the 2001 and 2003 tax cuts urged Congress to eliminate the estate tax;

WHEREAS, under present law, the estate tax has a zero rate for 2010, but in 2011 the estate tax rate increases to 55% with a \$1 million exemption amount;

WHEREAS, despite the zero rate for tax year 2010, the step-up-in-basis rules are replaced by modified carryover basis rules, which increases capital gains tax rates for inheritors due to a lower tax basis allocable to inherited assets;

WHEREAS, the estate tax is an inefficient means of raising revenue for the federal government as it imposes significant planning and administrative burdens, in addition to taxing wealth already subject to the income tax;

WHEREAS, according to 2008 data, 18% of taxable estates, totaling \$23.5 billion, consisted of personal residences, real estate partnerships holding and other real estate interests;

WHEREAS, the estate tax disadvantages small businesses, which are often family-owned, by making it difficult for the next generation of small business owners to inherit and continue the family enterprise;

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders remains opposed to the estate tax and thereby urges Congress to reduce or eliminate the effect of the estate tax by increasing the exemption amount, reducing the tax rate, and preserving the step-up-in-basis rules, or otherwise opposing the estate tax entirely if unsuccessful in those efforts.

Board of Directors Action:	Approved
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Taxation Subcommittee of the Federal Government Affairs Committee Action:	Recommends Approval