

## This Week in Washington

### Pombo supports permanent Death Tax repeal

Congressman Richard Pombo voted today for the Permanent Death Tax Repeal Act of 2002 (H.R. 2143) to ensure that relief from the death tax enacted last year won't expire in 2011.

"The death tax is probably the most noxious tax of all," Pombo stated. "I think it is immoral for the federal government to take another pound of flesh from taxpayers when they die. Having met with countless small business owners and farmers, I know that the death tax takes a very heavy toll. I applaud the House for approving this important legislation."

"I do not understand how anyone who claims to support small business could fail to support this bill," he added.

According to the National Federation of Independent Business, more than 70 percent of family businesses do not survive the second generation and 87 percent of family businesses do not make it to the third generation. 60 percent of small business owners report that they would create new jobs over the coming year if death taxes were eliminated.

The Permanent Death Tax Repeal Act of 2002 was approved by a vote of 256-171.

### Pombo calls to oppose Clinton-era Roadless Plan

Western Caucus Chairman Richard W. Pombo (R-CA/11) and 44 other members of Congress called on President George W. Bush to oppose newly emerging attempts to codify or administratively implement the Roadless Area Conservation Rule.

"This hastily developed and legally flawed Clinton-era roadless area rule doesn't represent sound management decisions for our national forests," said Pombo.

"This unwise and one-sided Clinton administration legacy rule deserves full consideration in court to ensure it's consistent with all environmental and procedural laws. The Bush administration deserves high praise for keeping its word to the American public to move forward in an open and fair process to develop roadless area policy."

The Clinton roadless plan would prohibit most road construction and reconstruction, forms of recreational activity and forest management on 58.5 million acres of inventoried forest roadless areas. The Western Caucus letter comes on the heels of an announcement by some members of Congress who plan to introduce legislation which would codify the Roadless Area Conservation Rule.

Implementation of the roadless rule was enjoined on May 10, 2001 by U.S. District Judge Edward Lodge who called the Clinton roadless initiative "a Band-Aid approach" which would cause "irreparable harm" if it went into effect. This case is currently on appeal to the 9th Circuit Court of Appeals and a decision is expected soon.

**For more information about the Western Caucus, visit:**

<http://www.house.gov/pombo/wc/home.htm>

### Pombo announces grant for SJ Superior Court

Congressman Richard Pombo today announced a Department of Justice (DOJ) grant to the San Joaquin Superior Court. The \$484,440 grant, made by the DOJ's Office of Justice Programs, will go to the county's drug court.

The funds are to be used to implement a post-adjudication program. The goals of the drug court are to assist substance abusing mentally ill clients, increase education levels, provide job skills and reunify clients with their families. The program will consist of twelve months of treatment in addition to an after-care component that includes peer work groups, mentoring and relapse prevention.

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### Today in History

**1498** - Christopher Columbus left on his third voyage of exploration.

**1712** - The Pennsylvania Assembly banned the importation of slaves.

**1775** - The United Colonies changed their name to the United States.

**1776** - Richard Henry Lee of Virginia proposed to the Continental Congress a resolution calling for a Declaration of Independence.

**1932** - Over 7,000 war veterans marched on Washington, DC, demanding their bonuses.

**1942** - The Battle of Midway ended. The sea and air battle lasted 4 days. Japan lost four carriers, a cruiser, and 292 aircraft, and suffered 2,500 casualties. The U.S. lost the Yorktown, the destroyer USS Hammann, 145 aircraft, and suffered 307 casualties.

**1942** - Japan landed troops on the islands of Attu and Kiska in the Aleutians. The U.S. recaptured the Aleutians one year later.

**1979** - Chuck Berry performed at the White House at the request of US President Carter. The same day Berry was charged with 3 counts of tax evasion.

**1981** - Israeli F-16 fighter-bombers destroyed Iraq's only nuclear reactor.

**1998** - James Byrd Jr., at age 49, was murdered in Jasper, TX. Byrd had been dragged to death behind a pickup truck.

*From [www.on-this-day.com](http://www.on-this-day.com)*

## This Week in Washington cont.

### Death Tax Facts

- In the Bush tax-cut package in current law, the death tax will be phased out over the next nine years and disappear completely in the tenth year.
- In other words, if H.R. 2143 is not enacted, families who lose a loved-one on December 31, 2010, will pay no death tax, but families who lose a loved-one on January 1, 2011, will pay a massive death tax.
- The death tax, quite simply, taxes wealth owned at death. In other words, when you die, your surviving family has to pay a large tax (up to 60%) on what you own above \$675,000 (this threshold and the accompanying tax rates are adjusted and phased out in favor of the taxpayer in the Bush tax-cut package).
- In the United States, the average estate tax paid to the government in 1997 was over \$435,000.
- The federal estate tax that exists today was enacted in 1916 primarily to raise revenues for World War I but also because Congress thought it should prevent the transmission of wealth inequalities through inheritance. But World War One is long over, and the taxing of inheritances, besides being improper, is also harmful to a capitalist economy like ours.

### Marriage Penalty Repeal Next Week

House Majority Leader Dick Armey announced yesterday that the House of Representatives will vote next week to permanently repeal the marriage penalty.

"In the past year and a half, the House has voted 21 times to lower taxes for hardworking Americans," continued Armey. "We are committed to economic growth. And next week, we will continue that commitment by permanently repealing the marriage tax penalty."

Last year, Congress enacted a repeal of the marriage penalty, but the law included a Senate provision that phased out the tax relief after ten years. This package (H.R. 4019) would make the marriage penalty tax relief permanent, and directly benefit over 42 million married couples who currently pay on average \$1,400 extra per year in taxes due to their marital status.

### Weekly Quotes

"There is a difference between a tax collector and a taxidermist -- the taxidermist leaves the hide."

- Mortimer Caplan

### Wordsmith

#### re·peal

**Pronunciation:** ri-'pE(&)l

**Function:** transitive verb

**Etymology:** Middle English repelen, from Middle French repeler, from Old French, from re- + apeler to appeal, call

**Date:** 14th century

1 : to rescind or annul by authoritative act; especially : to revoke or abrogate by legislative enactment

2 : A B A N D O N , R E N O U N C E

3 obsolete : to summon to return : RECALL

- re-peal·able /-'pE-l-&-b&l/ adjective

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## By the Numbers

### Danny Sexton: The Face of the "Death Tax"

- Danny and his wife, Nancy, are owners of Kissimmee Florist in Kissimmee, Florida.
- Danny comes from a family of florists and started in the business right after high school.
- Danny inherited his uncle Dee Earp's floral shop in the late 1990s.
- Death taxes totaled approximately \$160,000, but that wasn't all of the costs.
- Danny was forced to liquidate all of his personal assets, lay-off staff, cut salaries, and take out a loan in order to pay the death tax.
- Danny also had to take out a line-of-credit just to keep the business in operation.
- Because of the need to pay the loan obligations, Danny was unable to put money back into the business to help it grow. Nor was he able to take care of many of the much needed repair work on the building.

\$160,000	Death Tax
\$ 60,000	Lawyer's Fees
\$ 14,000	Accountant's Fees
\$ 15,000	MSC. Related Expenses
\$ 4,000	Fee to Value Business for IRS
\$253,000	

The Grand Total Cost Danny and Nancy Sexton were forced to pay the IRS for the Death Tax

*From the Office of Congressman Dave Weldon, M.D. (R-FL 15th)*