



Socialist Sanders is dying to re-enact the ‘death tax’

By Jim Waters

George Steinbrenner, the late owner of the New York Yankee’s Major League Baseball team, led the franchise to seven World Series championships.

And he won an equally big victory in death. By passing away smack dab in the middle of 2010, the Steinbrenner estate avoided a huge tax bill.

“The Boss” Steinbrenner’s sports and media empire amassed him a fortune of \$3 billion, which in previous years would have fallen prey to the government “death tax” to the tune \$500 million. Talk about taking a bite out of the Big Apple.

However, as a result of tax cuts enacted a decade ago during the early years of George W. Bush’s presidency, Steinbrenner beat the taxman and won a victory for his family, which could have been forced to sell the Yankees to make payment.

As part of the Bush tax-cut plan, the death-tax rate, which had been decreasing in previous years, was completely eliminated — but just for 2010. If Congress fails to keep the cuts in place, the unfortunate soul who dies on Jan. 1, 2011, instead of Dec. 31, 2010, leaves an estate taxed at a higher rate in death than in life.

It’s baffling to learn that a socialist in Congress is extremely unhappy with Steinbrenner’s last victory. And it’s also reason for concern.

Sen. Bernie Sanders, I–Vt., and avowed socialist, wants to reinstate the death tax and to make it *retroactive*, so that Steinbrenner and others who have lived the American dream would not, in death, escape the tax for 2010.

Talk about dishonoring the memory of the dearly departed. It’s grave robbing of the highest order.

To advance support for reinstating the tax, Sanders and the co-sponsors of his “Responsible Estate Tax Act” try to stoke class warfare by claiming that failing to collect taxes on estates of the deceased somehow hurts middle-class Americans and, if re-enacted, would affect only billionaires.

But how the Internal Revenue Service calculates the death tax reveals that not just “the rich” get stuck paying.

For example, the Kentucky Farm Business Management Group estimates the average value of a Kentucky farm at \$1.8 million. If Congress does not act, the previous 55 percent death-tax rate and \$1 million threshold will return and soak more than just Kentucky’s rich.

And the gouging goes beyond just the value of businesses and farms. The grimmest of reapers, the IRS, also counts the value of homes, 401(k) balances, stocks and bonds, jewelry, artwork, family heirlooms and other personal possessions when determining estate values.

When all of this comes into play, heirs to the average Kentucky farm can look forward to writing a big, fat check to Uncle Bernie, who —along with his Big Government Brotherhood in Congress — claims he wants to bring back the tax to *help* the middle class.

But the fact is, the tax man could be stopping at Your Old Kentucky Home just as soon as he gets done bilking The House that George Built.

At best, much of what these farm owners strived to achieve would be diminished simply because they passed on. What's more likely is that many of the commonwealth's landmark farms would get parceled up and sold acre by acre — just to satisfy government greed.

Like Steinbrenner, we don't plan the date of our deaths.

But also like Steinbrenner, American small-business owners and farmers should be able to face that uncertainty knowing that what they worked for will contribute to the freedom and security of their heirs — and not to fattening the coffers of government — which cannot create but instead only takes wealth.

— *Jim Waters is vice president of policy and communications for the Bluegrass Institute, Kentucky's free-market think tank. Reach him at jwaters@freedomkentucky.com. Read previously published columns at www.bipps.org.*