

Guest Commentary

Small Businesses and the Estate Tax

As a small business owner, I am watching with bewilderment the efforts in Congress to repeal the federal estate tax in order to “help out small businesses.”

This is just one more instance in which the cover of small businesses is being used by special interest lobbyists in Washington who are rigging the system for the wealthy. Only 20 small businesses and small family farms paid any estate taxes in 2013, a typical year. That’s across the entire country – not just here in Oregon.

Why? Because an individual’s estate has to be worth more than \$5.4 million before any tax is owed. It is double that – nearly \$11 million – for a married couple. In reality, the estate tax only applies to multi-millionaires and billionaires. Small business owners and their heirs need not worry.

My little business is threatened more by income inequality, and by big corporations not paying their fair share of taxes, than it is by the estate tax. As more and more wealth is accumulated in the hands of the rich, and as incomes stagnate for everyone else, fewer people and fellow business owners in my neighborhood can come here to buy high-end paper goods and

custom design and printing services.

So don’t be fooled into believing that wealthy people want to repeal the estate tax in order to help out ordinary folks; they are campaigning to preserve their fabulous riches for their heirs. This truly is a 99 percent versus 1 percent issue because 99.8 percent of estates owe no federal taxes. Neither will you.

Even when the wealthy pay estate taxes it is at a low level – just 17 percent on average.

The friends of big business trot out an old and fallacious argument to justify their efforts to repeal the estate tax. They say that the estate tax discourages investment so people like me will not try to grow our business because of it.

The real brake on my business is not having enough customers that can come in to Paperjam Press to buy cards, stationary, paper or custom design and printing services.

My business cannot succeed if my community is not strong. If people are struggling to pay for health care, food, and housing, where will I find my customers? America is having trouble paying for the things that really matter – rebuilding our infrastructure, reducing

the load of debt college kids are saddled with, researching new medical cures.

Repealing the estate tax is a foolish thing to do when our communities are struggling. It will cost us \$269 billion in lost revenue over 10 years. The average estate’s taxes will be cut by \$3 million.

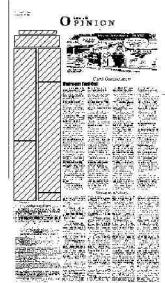
That kind of money can do a lot to reduce income inequality in America and to spur the small-business economy.

The budget recently passed in the House by Republicans would cut food stamps by more than \$100 billion. That means less spent at the local grocer. It proposes to cut hundreds of billions from Medicaid. People won’t be able to afford to see their local doctor. It would cut \$90 billion from Pell Grants, which means students come out of college with a lot more debt and can’t afford to buy a car.

Congress needs to get its priorities right. Stop pretending to be helping small businesses when what you are really doing is giving tax breaks to big campaign donors. No wonder the public holds Congress in such low esteem.

If you want to become more popular then start doing things that help average Americans and main street businesses – not the rich and powerful.

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