

## **American Farmers' Opposition to Biden Tax Hikes Underscores Growing Skepticism Among Democrats**

*"New transfer taxes at death and their impact on farms and businesses continue to raise doubts."*

**Washington, D.C.** – As Washington continues to debate what will be in a \$3.5 trillion reconciliation bill, the issue of taxing unrealized gains on inheritances led dozens of organizations from across the country representing farmers, ranchers, and agribusinesses to send a letter to the Chairmen and Ranking Members of the House Ways and Means and Senate Finance Committees outlining their concerns. The Tax Aggie Coalition, made up of 41 national and regional agricultural groups, [sent the letter yesterday](#).

The Tax Aggie Coalition argues that "it's important to note that due to the diverse complexity of ownership structures across family-owned agricultural entities, combined with the current tax code's fairly restrictive definition of family, it would be virtually impossible to provide meaningful protections for those that need it most. Simply put, exemptions for family-owned farms, ranches, and agribusinesses are untenable." This contention matches [recent polling](#) conducted by [Saving America's Family Enterprises \(SAFE\)](#), an organization advocating against new death transfer taxes, which shows that a clear majority of voters believe exemptions would not work, while 83% of voters – and 77% of Democrats – believe new transfer taxes will endanger family businesses and farms.

The concerns of the American agricultural sector spelled out in the new letter mirror those raised in recent weeks by prominent Democrats. Former U.S. Senator Heidi Heitkamp (D-ND), who chairs SAFE, and others have argued that immediately taxing assets that are passed down in the form of inheritances, like family farms and family-run businesses, will kill jobs and hit middle-class families hardest, ultimately hurting the Democratic Party with rural America:

- **New York Times: Democrats and lobbyists gird for battle over far-reaching tax increase** 09/07/2021

"This is very consistent with my concern about revitalizing the Democratic Party in rural America," Ms. Heitkamp said. "You may want to do this," she said she had counseled her former colleagues, "but understand there will be risk, and risk is the entire agenda." [Read the full story here](#).

- **Politico: It's go time, Weekly Tax** 09/07/2021

"Just last week, former Senate Finance Chair Max Baucus (D-Mont.) joined former Sen. Heidi Heitkamp (D-N.D.) as prominent former Democratic lawmakers with questions about the stepped-up basis proposal and particularly its impact on family farms and ranches." [Read the full story here](#).

- **Roll Call: Senate Democrats' tax options include big farm gains exemption** 09/03/2021

“But Republicans — and Democrats who once served in Congress — are hitting hard at the idea, saying it will make passing down family businesses and farms untenable. The last Democrat to hold the Senate Finance gavel before Wyden, Max Baucus, said in a [Wall Street Journal op-ed](#) on Wednesday that eliminating stepped-up basis would be a mistake and force the liquidation of family farms and businesses. Baucus represented Montana and is from a ranching family. Another former Democratic senator from farm country, Heidi Heitkamp of North Dakota, is leading a coalition opposed to the tax. House Democrats from rural districts have also expressed concern with the Biden plan, including several members with tough races next year.” [Read the full story here.](#)

· **CNBC: Former Democratic Senator sounds the alarm about Biden’s plan to tax assets at death 09/01/2021**

“Former Democratic Senator Heidi Heitkamp, one of the party’s leading voices on tax policy, said President Joe Biden’s proposal to tax appreciated assets upon death would hurt family farms and family-owned businesses.

“I’m trying to sound the alarm, both economically and politically, for Democrats that this is not a path to walk,” she said in an interview on [“Squawk Box.”](#) “The disruption that it would create for small family business and farmers and family assets is not worth the pain.” [Read the full story here.](#)

· **Former Rep. Collin Peterson (D-MN), former Chair of the House Agriculture Committee, in the Des Moines Register: Opinion: American Families Plan 'transfer tax' proposal is the real threat to agriculture 08/08/2021**

“I would argue this transfer tax, which could be as high as 43.4%, is the worst idea that has been proposed in terms of its impact on agriculture in my lifetime.

“This proposal is a direct assault on agriculture because it will prohibit the transfer of a family farm from one generation to the next, which is the last thing we should want to do.” [Read the full column here.](#)

**About SAFE**

Saving America’s Family Enterprises (SAFE) is a non-profit educational organization advocating against new transfer taxes like the STEP Act, a double death tax which will hurt small businesses, farms, homeowners, and middle-class American families. Learn more at [DoubleDeathTax.org](#).

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