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Senate Rejects Cynical Attempt to Gut the Estate Tax

Citizens for Tax Justice congratulates the U.S. Senate on its decision to reject the effort to hand a new $62 billion a year estate tax break to a small group of America's wealthiest families. A sufficient minority of Senators has said "no" to another expensive tax giveaway to the rich at a time when our nation is sliding deeper and deeper into debt.

In 2006, estates worth $2 million or less — or $4 million or less for couples — are not affected by the estate tax. As a result, just 0.5 percent of all estates will be taxable this year. It is reprehensible that a majority of both the House and Senate, after adding trillions of dollars to our nation's debt over the past six years, believe that another $62 billion a year should be borrowed to benefit a few thousand wealthy families.

In a blatant attempt to buy votes in the Senate, the so-called "trifecta" bill combined the estate tax cut with a package of narrow-interest corporate tax breaks and a long-overdue increase in the minimum wage. Fortunately, enough Senators rejected the bribes so that the bill failed to get the 60 votes it needed to pass the Senate under budget rules.

It's sad to see that most of our Senators and Representatives continue to disdain tax fairness and fiscal sanity. But it's heartening that yesterday, 43 Senators disagreed with them.

"Once again, the House and Senate leadership have been unable to push through further cuts in the estate tax," said CTJ Director Robert S. McIntyre. "It would be nice to believe that after this latest defeat, the Congressional leadership will focus on solving our nation's real problems with the same zeal that they've devoted to gutting the estate tax. Realistically, however, that's about as likely as pigs flying."

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