

**Floor Statement by Senator Kent Conrad (D-ND on Estate Tax
August 3, 2006**

We have heard a lot of talk that there is a death tax in this country. All of us in this Chamber know there is no death tax. There is a tax that applies to estates that wealthy individuals have in this country, but only three-tenths of 1 percent of estates pay any tax in America.

This shows the current level of exemptions. In 2006 a couple has to have \$4 million before they pay a penny of estate tax. In 2009, that will rise to \$7 million for a couple. Some of us believe we ought to increase the exemption before 2009 to this \$7 million level, but that is not the proposal before us.

The proposal before us is to virtually eliminate the estate tax or certainly the revenue that flows from it. In fact, as my colleague from Illinois just indicated, the proposal before us will cost us three-quarters of the money that complete elimination of the estate tax would cost: \$750 billion in the first 10 years that it is fully effective. This at a time that we are borrowing money as a nation in an unprecedented way.

Last year we borrowed 65 percent of all the money that was borrowed by countries in the world. Let me repeat that. Last year, our country, which has now become the biggest debtor nation in the world, borrowed 65 percent of all of the money that was borrowed by all the countries in the world--65 percent. A very weak second was Spain at 6.8 percent, and the United Kingdom at less than 4 percent.

The point is very clear. This is absolutely unaffordable at a time that we are running up massive debt.

Our friends on the other side say: Well, we have a good idea. Let's eliminate some more revenue and let's eliminate it on those who are the wealthiest three-tenths of 1 percent of the American population.

If anybody wonders about the budgetary impacts or whether this is fiscally responsible, here are the budget points of order that this legislation before us now violates. It violates the pay-go rule. It exceeds the pay-go scorecard by more than \$12 billion.

On revenue, it exceeds the 2006 through 2010 revenue floor by more than \$6 billion. It exceeds the outlay allocation for 2006 and 2006 through 2010 for the Finance Committee by \$1.5 billion. It contains unfunded mandates on State and local governments that are all subject to a point of order.

It reduces the Social Security surpluses, also subject to a point of order.

Let me just say to my colleagues, if this measure would pass tonight and cloture would be invoked, I intend to raise every single one of these budget points of order, and we will see who is serious about being fiscally responsible and who is not.

I have shown this chart to my colleagues many times. It took 42 Presidents--all the Presidents pictured here--224 years to run up \$1 trillion of debt held abroad. This President has more than doubled that amount in just 5 years.

What are our colleagues saying? Our colleagues are saying: Let's go borrow some more money from abroad. Where are we going to get this money? The country we borrow the most from is Japan, so a lot of this money would be borrowed from Japan. The next country that we owe the most money to is China, so we would have to borrow more money from the Chinese to give this tax reduction to just a handful of Americans.

Right now, there will only be 13,000 taxable estates in the entire country in 2006. By 2009, that will be down to 7,000. When our friends call this family prosperity, they are right. They are talking about family prosperity for 7,000 families in America, and they want to shift the burden on to all of the other American families. That is what this is about.

If you are listening to this debate, if you have assets of more than \$7 million, it is true, you will face a tax. If you have assets and you are a family, if you have more than \$7 million, you will face a tax. Now, that is the only instance in which you will.

My friends, the proposal before us is to reduce--for 7,000 families in America who are in that category in any one year--reduce their obligation and shift it to all of the rest of us. That is not fair. That is not right.