

They Are Going To Make It Nearly Impossible To Pass On A Farm Or A Business To Your Children

By Michael, on November 20th, 2012



If you have a farm or a small business, would you like to pass it on to your children when you die? Well, unless Congress does something, it is going to become much, much harder to do that starting next year. Right now, there is a 5 million dollar estate tax exemption and anything above that is taxed at 35 percent. But on January 1st, the exemption will go down to 1 million dollars and the tax rate will go up to 55 percent. A lot of liberals are very excited about this, because they believe that the government will be soaking wealthy people like Warren Buffett and Bill Gates. But the truth is that a lot of farms, ranches and small businesses will be absolutely devastated by this change in the tax law. There are many farmers and ranchers out there today that do not make much money but are sitting on tracts of land that are worth millions of dollars. According to the American Farm Bureau, approximately **97 percent** of all farms and ranches in the United States would be subject to the estate tax if the exemption was reduced to just a million dollars. That means that the children of these farmers and ranchers would be faced with a very cruel choice when it is time to inherit these farms and ranches. Either they come up with enough money to pay the government about half of what the farm or ranch is worth, or they sell the farm or ranch that

may have been in their family for generations. Needless to say, most farm and ranch families do not have that kind of cash lying around. Most of them are just barely making it from year to year. So this change in the tax law is going to greatly accelerate **the death of the family farm** in America. This is also going to devastate many family-owned small businesses. Many small businesses don't make much money, but they have buildings or land or assets worth millions of dollars. Children that may have wanted to continue the family legacy will be forced to sell because of the massive tax bill that they get from Uncle Sam. This is an insidious cruelty, and it shows just how broken our system has become.

The desire to leave the wealth that you have worked so hard to accumulate all your life to your children is something that is common to virtually all human societies. We want to know that future generations will be taken care of.

It is simply immoral for the federal government to swoop in and tax farms, ranches and small businesses that were intended to be passed down from parents to their children at a 55 percent tax rate.

A lot of the people that are going to be affected by this change are not "wealthy" at all. A recent [Fox News report](#) examined what this change in the law is going to mean for rancher Kevin Kester and his family...

Rancher Kevin Kester works dawn to dusk, drives a 12-year-old pick-up truck and earns less than a typical bureaucrat in Washington D.C., yet the federal government considers him rich enough to pay the estate tax -- also known as the "death tax."

Kester told Fox News that he has no doubt that his ranch will have to be sold when he dies just to pay the tax bill...

"There is no way financially my kids can pay what the IRS is going to demand from them nine months after death and keep this ranch intact for their generation and future generations," said Kester, of the Bear Valley Ranch in Central California.

Two decades ago, Kester paid the IRS \$2 million when he inherited a 22,000-acre cattle ranch from his grandfather. Come January, the tax burden on his children will be more than \$13 million.

Reading that should make you angry. Every single year, thousands upon thousands of farms, ranches and small businesses are going to be lost to the federal tax monster.

It is almost as if the federal government does not want income-producing assets to remain in the hands of the "little guy".

What in the world are we supposed to do?

It isn't as if all of those farmers and ranchers can go off to the big cities and find good jobs. As I wrote about yesterday, our politicians are standing aside as millions of our good jobs are **shipped out of the country**.

The cold, hard truth is that our system does not work for average Americans any longer. Those that roll out of bed every morning, work hard and never complain always seem to get the short end of the stick.

The people that are the backbone of America are the ones that the government is always the hardest on.

Unfortunately, we have gotten to a point where the government is searching for more "revenue" from anywhere it can because it desperately needs more money. U.S. government finances are **a complete and total mess** and we are drowning in the biggest ocean of debt the world has ever seen.

We are **more than 16 trillion dollars in debt** and there are more than 100 million Americans that are enrolled in at least one welfare program.

Someday has to pay for all this.

Middle class Americans are already hit with **dozens of different taxes** each year, and you can be certain that our politicians will continue to invent ways to extract even more "revenue" out of us.

And of course our politicians will never stop their wild spending. Despite all of the negotiations that have taken place over the past couple of years, our spending problems just continue to grow. For example, the federal budget deficit for the month of October was **\$120 billion**, which was more than 20 percent larger than the federal budget deficit for October 2011 was.

So what is the solution?

Well, Treasury Secretary Timothy Geithner now says that he wants to eliminate the debt ceiling **entirely**. He says that we should just have no limit and that the federal government should just be able to go into debt as much as it wants.

In the end, all of this debt is going to absolutely crush us. We have literally destroyed the future of America, and yet most of the country still seems clueless about all of this. The blind are leading the blind, and we are headed straight for complete and utter disaster.

One day, when people look back on this period in American history, what do you think people are going to say about us?





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