

TEXAS BILLIONAIRE'S DEATH TRIGGERS RENEWED ESTATE TAX DEBATE

For the first time in nearly 100 years, extremely wealthy individuals who pass away this year will leave enormous estates to friends and family tax-free. Since 1916, the estates of America's wealthiest individuals have been subject to a federal estate tax. Over the years the minimum value has fluctuated, but the tax has remained in effect. In 2009, for example, the tax applied to the portion of individual estates valued over \$3.5 million, or the portion of a couple's estate valued over \$7 million. However, because of a law passed by Congress in 2001, the estate tax has been entirely repealed for the year 2010.

In March of this year the first American since 1916 was able to pass a multi-billion dollar estate to his children and grandchildren without paying an estate tax. Dan L. Duncan, a Texas pipeline tycoon ranked 74th wealthiest individual in the world, passed away from a brain hemorrhage in late March, leaving billions of dollars in assets behind. Had Duncan passed away in 2009, his \$9 billion estate would have been subject to at least a 45% federal estate tax.

Supporters of the estate tax argue that it is unconscionable to allow the wealthiest Americans a tax break at a time when income gaps between the wealthy and poor are so large and deficits so high. Opponents of the estate tax, however, argue that taxing an individual when income is earned and then again at death is unfair and it forces the liquidation of family owned businesses and farms. Read the full [New York Times article](#) for a more detailed look at the Duncan estate and the implications of the estate tax repeal.

This window of opportunity for tax savings may be short lived as the current law has the estate tax returning in 2011 with an exemption of only \$1 million for individuals and a top marginal rate of 55%.