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Congress of the United States
House of Representatives
Washington, DC 20515

April 17, 2021

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear President Biden,

Today, I write to you concerning the tax increases your administration and Congressional allies are proposing. I was elected to protect the livelihoods of thousands of middle-class Michiganders from your destructive economic policies. These proposed tax hikes will do nothing but harm local communities, family farms, small businesses, and average Americans. I am requesting that you begin working in a truly bipartisan fashion to address the actual needs of the American people.

There are two specific proposals that I would like you to reconsider: the estate tax and an increase in the capital gains tax through the repeal of the “step-up in basis” provision.

The estate tax, often referred to as the “death tax”, is fundamentally unfair, and it is bad tax policy. It is levied on assets that have been taxed previously through income taxes, capital gains taxes, and the corporate income tax. It disproportionately impacts family-owned businesses, such as farmers and ranchers, who tend to be asset-rich but cash-poor. On the other hand, the wealthy often evade this tax through loopholes and armies of lawyers and accountants. The Tax Cuts and Jobs Act of 2017 doubled the exemption from this tax until 2025. While I would support a long-term extension of this exemption, a bipartisan group of 137 House members have cosponsored H.R. 1712 to fully repeal the estate tax. A full repeal would protect family-owned farms and businesses while stimulating job creation and growth in our economy.

In regard to your campaign pledge¹ to repeal step-up in basis for capital gains, this recklessly harms family-owned businesses and would effectively kill off any protections for those who wish to pass on their life's work to their children and grandchildren. Repealing this provision is akin to double taxation. This would require individuals to pay both the estate tax and capital gains taxes on any assets they inherit. Assets they have already paid taxes on. Forcing these farmers to pay these exorbitant taxes when they receive property from their elders will force them to sell off large portions of their land. This will lead to wide scale sell-offs of family farms to corporate farms across the country.

Former President Trump had our economy roaring on all cylinders prior to the pandemic shutdowns in March 2020. Federal tax revenues had reached their highest levels in FY 2019², two years *after* the 2017 tax cuts were passed. I request that your administration and your majority in Congress end your partisan attacks on our family farms and small businesses. I am ready to work with you on any initiative that is aimed at pro-growth policies that will protect American families for generations to come.

Sincerely,



Lisa McClain
Member of Congress

¹ <https://taxfoundation.org/joe-biden-tax-proposals/>

² <https://datalab.usaspending.gov/americas-finance-guide/revenue/>