

The FLTC Tax Report

News from the Forest Landowners Tax Council

Prepared on November 16, 2005

The following, from the Forest Landowners Tax Council, updates us on current federal tax events and legislation affecting non-industrial private forest landowners.

Death Tax: The Senate has postponed its vote on H.R. 8, which has passed the House and which ends the death tax after the current phase-out is complete in 2011, next year. Therefore, Henry Barclay, FLTC Chairman, recently joined 26 other organizational signatories on a letter to Senate Majority Leader Bill Frist (R-TN). The text of that correspondence: *“...In September, Hurricane Katrina, among its many other disastrous effects, “bumped” the Death Tax repeal vote off the Senate’s calendar. We were, of course, very disappointed but at the same time we understood and strongly supported your decision to postpone the vote in order to deal directly with the impact of Katrina. We deeply appreciate your commitment to reschedule the vote. The undersigned organizations and the millions of taxpayers, family business owners, and seniors who make up our collective membership urge you to reschedule the vote on Death Tax repeal for early next year. Although we would gladly accept any opportunity to end the Death Tax, we humbly suggest that a date immediately after the President’s Day Recess – before the Senate must consider the budget resolution. As you know, the President’s Advisory Commission on Tax Reform has assumed repeal of the Death Tax prior to consideration of its recommendations. Thus, we urge you to schedule a vote on permanent repeal of the Death Tax on or shortly after February 27, 2006 if at all possible...”*

Income Averaging: After the FLTC board of directors reviewed and approved a draft bill on the reinstatement of income averaging for all non-industrial private forest landowners, FLTC leadership and staff are seeking Senate and House approval of bill language; whereupon, staff will recruit sponsorship of the bill in the House and Senate. The bill will then be submitted to the Congressional Joint Committee on Taxation for its estimate of how such a law affects the U.S. Treasury. Forest landowners lost the privilege to average their income for tax purposes with the reform of the tax structure in 1986, with every other entity that had enjoyed this opportunity. Later, farmers and fishermen had the right to average income re-established, as their omission was considered an unintended consequence of an attempt to close a securities trading loophole.
