

Letter to Dept. of Treasury Secretary Jack Lew Urging Withdrawal of Proposed Minority Valuation Discount Rules

September 26, 2016

The Honorable Jacob Lew
United States Treasury Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: Proposed Regulations under Section 2704 (Reg. 1.63113-02)

Dear Secretary Lew:

The undersigned companies and organizations representing family-owned businesses in the United States across a wide range of industries have serious concerns about the potential impact of proposed regulations under Internal Revenue Section 2704 (the "proposed minority discount rules") released by the Treasury Department on August 2, 2016.

The proposed guidance is one of the most sweeping changes to estate tax policies in the last 25 years and would be detrimental to active enterprises and family-owned businesses that employ millions of workers throughout the nation. In particular, these rules would impose significant new tax costs on family-owned businesses, diverting capital from business investment, costing jobs and threatening the ability of families to pass businesses on to the next generation of owners.

Given the negative impact of the proposal on jobs, investment and economic growth, we respectfully request that the Treasury Department withdraw these regulations. As drafted, the proposed regulations fail to consider the appropriate concerns and economic realities of family-owned businesses.

Thank you in advance for considering our request.

Sincerely,

cc: The Honorable Mark Mazur, Assistant Secretary for Tax Policy, U.S. Department of Treasury
The Honorable Paul Ryan, Speaker of the U.S. House of Representatives
The Honorable Nancy Pelosi, Democratic Leader, U.S. House of Representatives
The Honorable Mitch McConnell, Majority Leader, U.S. Senate
The Honorable Harry Reid, Democratic Leader, U.S. Senate
The Honorable Kevin Brady, Chairman, Ways and Means Committee, U.S. House of Representatives
The Honorable Sander Levin, Ranking Member, Ways and Means Committee, U.S. House of Representatives
The Honorable Orrin Hatch, Chairman, Finance Committee, U.S. Senate
The Honorable Ron Wyden, Ranking Member, Finance Committee, U.S. Senate
Members of the Ways and Means Committee
Members of the Finance Committee