



June 25, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20515

The Honorable John Barrasso
Majority Whip
United States Senate
Washington, DC 20515

The Honorable Mike Crapo
Chairman
Committee on Finance
United States Senate
Washington, DC 20515

Dear Senators Thune, Barrasso, and Crapo:

The members of the Family Business Estate Tax Coalition (FBETC) write to express our gratitude to Chairman Mike Crapo and the Members of the Senate Committee on Finance for their efforts to advance tax provisions that address the needs of family-owned businesses, farms, and ranches. Most importantly, we applaud the inclusion of meaningful estate tax relief in the committee-approved text, and we urge the Senate to move swiftly to prioritize measures that strengthen small businesses and promote economic growth.

The estate tax is overly burdensome on families trying to pass their business to the next generation, and the One Big Beautiful Bill ensures that the current \$14 million estate tax exemption does not get cut in half after 2025, as is currently scheduled in the law and which would dramatically expand the scope of affected family-owned businesses. The FBETC has supported policies that eliminate or reduce the burden of the estate tax, including legislation to repeal the estate tax completely, the temporary increase of estate tax exemption thresholds indexed for inflation, permanent lower tax rates, and provisions for spousal transfer and stepped-up basis. Additionally, the FBETC supported the temporary estate tax relief in the Tax Cuts and Jobs Act (TCJA), which doubled the exemption to approximately \$11 million for tax year 2018 and indexed future increases for inflation through 2025 (currently \$13.99 million in 2025).

The One Big Beautiful Bill builds further on the relief provided in the Tax Cuts and Jobs Act. We greatly appreciate the provisions of the tax package that will increase the estate tax exemption level to \$15 million per individual, \$30 million per couple, adjusted for inflation, and made permanent. The higher exemption threshold will alleviate the tax burden that often forces the selling of all or parts of family-owned businesses to pay the tax bill, and increasing the exemption level will ensure continuity of operations and preserve the family-owned businesses that are vital to our communities.

We also greatly appreciate your efforts to preserve the stepped-up basis in the tax package. The stepped-up basis is critically important to family-owned businesses because it can significantly reduce the potential estate tax burden that may arise when the family passes on the property to the next generation. When a property owner passes away, the basis (or original purchase price) of the property is "stepped up" to the current market value at the time of their death, rather than being based on the original purchase price. This is beneficial because if heirs must sell the property, they only pay capital gains tax on the difference between the sale price and the stepped-up value, not on the difference between the original purchase price and the sale price. The stepped-up basis reduces the combined impact of estate taxes and capital gains taxes on family-owned businesses, allowing them to remain in the family without the need for forced sales to cover tax liabilities.

We greatly appreciate your continued support for America's family-owned businesses, farms, and ranches, and we stand with you in support of these incredibly important generational tax provisions.

Sincerely,

Family Business Estate Tax Coalition