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**GROCERS SUPPORTED HOUSE'S FIRST STEP
TOWARD TOTAL TAX RELIEF**
"Death Tax" Repeal Next Big Issue For Congress

RESTON, Virginia (March 13, 2001) — Members of the National Grocers Association (N.G.A.), the trade group exclusively dedicated to the representation of and service to the independently-operated or family owned grocery retailer and their wholesalers, strongly supported the House of Representatives quick approval of the across-the-board reduction in income tax rates. At the same time, N.G.A. is calling on Congress to quickly introduce a bill to repeal the estate tax. N.G.A. and many other business associations maintain that the estate tax causes undue hardship on many independent business owners, some to the point of causing them to nearly lose their business or forcing their heirs to take large loans to pay off the taxes.

"This is definitely a giant step in the right direction for American businesses and their employees," said Thomas K. Zaucha, President and CEO of N.G.A. "We welcome any tax relief for overburdened businesses and families. We also must emphasize, however, that the repeal of the Death Tax has been N.G.A.'s number one legislative priority for almost a decade. Our members are in agreement that the existence of the estate tax has hampered independent businesses from obtaining the necessary capital to build their organizations and stay competitive in the retail arena."

The House, by a vote of 230 to 198, approved the Bush Administration's plan to reduce the current five-rate tax structure with four lower brackets—10, 15, 25 and 33 percent on Thursday. These reductions will be phased in over the next five years, with a preliminary cut—amounting to an average savings of \$180 for a single taxpayer and \$360 for a couple—retroactive to Jan. 1, 2001.

The Senate is expected to address the issue of tax relief in May. Unlike the House, the Senate is likely to consider such issues as the estate tax repeal and marriage penalty relief along with tax relief in a single bill, not multiple bills.

"We ask our members to contact their representatives and make it clear to them that a complete tax relief plan—including the repeal of the estate tax—must be quickly implemented," said Tom Wenning, Senior Vice President and General Counsel of N.G.A. "Voicing our support for tax reform will leave no doubt with our Congressmen and Senators where we stand on this vital issue."

N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating in a variety of formats. Some are publicly traded but with controlling shares held by the family. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Independents are the true "entrepreneurs" of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers and their state associations, as well as manufacturers and service suppliers.