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N.G.A. CONTINUES TO SUPPORT AND FIGHT FOR PERMANENT ESTATE TAX REPEAL

***N.G.A. Commends President Bush on State of the Union Address and
his leadership on permanent estate tax repeal.***

***N.G.A., as part of the FBETC, sends letter to Senators, urging them to vote in favor of an
amendment that would make death tax repeal permanent.***

ARLINGTON, Virginia (January 30, 2002) – The National Grocers Association (N.G.A.) would like to commend President Bush for his inspiring and informative State of the Union Address, which he gave last evening. N.G.A. would also like to commend the President for his leadership on the issue of permanent estate tax repeal.

“Congress listened to the people and responded by reducing tax rates, doubling the child credit, and ending the death tax,” said Bush. “For the sake of long-term growth, and to help Americans plan for the future, let’s make these tax cuts permanent.”

According to N.G.A. President and CEO Tom Zaucha, “President Bush’s economic stimulus package and permanent repeal of the estate tax is important for the country’s economic security. N.G.A. supports the President’s efforts to end the recession, create jobs, and preserve family owned businesses.”

The \$1.35 billion tax relief package that was enacted last June was a huge victory for American taxpayers; however, due to the so-called “sunset provision” in the law, the death tax will be fully repealed only for one year, in 2010. Unless the law is changed, the onerous estate tax will be reinstated in 2011.

Yesterday, the Family Business Estate Tax Coalition (FBETC), on behalf of the more than six million members represented by the organizations in the FBETC, including N.G.A., wrote a letter to Senate members, strongly urging them to vote in favor of an amendment sponsored by Senator John Kyl, which would make permanent the death tax repeal provisions enacted in June 2001.

The letter stated, “the temporary provisions further complicate an already overly complex tax code. If the death tax were permanently repealed, resources currently allocated to estate planning would be reinvested into businesses, thus creating and shoring up job opportunities and providing a much-needed boost to local economies. Permanent repeal of the death tax is critically important to the future of America’s family businesses, farms, and ranches, and the people they employ.”

Repeal of the estate tax is only useful if the tax is gone forever, otherwise family-owned businesses will continue to spend money on lawyers, accountants, and insurance policies. This money could be better used for such things as new employees, better benefits or expansion projects that will help get our economy going again.

“The way out of this recession, the way to create jobs, is to grow the economy by encouraging investment in factories and equipment, and by speeding up tax relief so people have more money to spend,” said Bush in his Address. “For the sake of American workers, let’s pass a stimulus package.”

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.