

***Via facsimile***

October 6, 2009

The Honorable Max Baucus  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Charles B. Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Dave Camp  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Re: Estate Tax Reform

Dear Chairmen Baucus and Rangel, and Ranking Members Grassley and Camp:

The Financial Planning Association® (“FPA®”)<sup>[1]</sup> urges you to quickly introduce and pass legislation to address the estate tax on a permanent basis.

Financial Planners provide a wide range of advice oriented to guiding Americans toward long-term and lifelong goals. We work with clients of all income levels to address issues that arise in regards to: debt management, retirement asset accumulation and distribution, saving for education, insuring against risk, income taxes, and estate planning.

Current estate tax law, with its changing rates and exemptions, repeal, and uncertain future, makes legitimate estate and tax planning difficult to provide. This results in significant unnecessary costs to many Americans. With the client-centric focus of financial planning, we as Financial Planners have a concern in this debate on behalf of our clients and the difficulty that temporary provisions cause in their ability to achieve their financial goals.

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<sup>[1]</sup> The Financial Planning Association is the largest organization in the United States representing financial planners and affiliated firms, with more than 25,000 individual members. FPA maintains an administrative office in Denver and a government relations office in Washington, D.C.

The best solution is a permanent solution that allows us to make long-term plans and stick with them, without the need to go through the time, cost, and expense of modifying legal documents every year for a continuously changing estate tax regime. Solutions should be permanent until they otherwise need to be changed for other reasons; not implemented on a temporary basis that will require significant changes in the future and prohibit effective long-term planning.

In addition, permanent solutions should be workable solutions. Thus, we also urge you to eliminate consideration of a carryover cost basis tax structure in the future. Few taxpayers have the necessary records to determine the adjusted basis for all of their estate's assets. Nor does the Internal Revenue Service (IRS) have enough information to verify valuations and detect fraud. This creates the perverse result of penalizing honest taxpayers and executors who incur the cost to conduct a forensic tax analysis and rewards those willing to play a game of audit roulette with the IRS.

Given the costs to taxpayers this issue has already incurred, we urge you to pass legislation out of your respective committees that would address this issue once and for all. While your respective committees are wrestling with a number of issues critical to the American public, it is important that this issue not be forgotten.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Salmen". The signature is fluid and cursive, with a large initial "R" and "S".

Richard Salmen, CFP<sup>®</sup>, CFA, EA  
President, Financial Planning Association

CC: Members of the House Committee on Ways and Means  
CC: Members of the Senate Committee on Finance