

Neal "Doc" Dow

By Neal Dow

Ranching is my family's passion – and our curse.

Our story begins with my late wife, Anna, and her first husband. They were dairy ranchers, working full time feeding the ranch's milking crew, waking before dawn and working until late at night.

Anna understood that successful ranching required a heavy investment of sweat equity. She also learned that her dedication and hard work didn't count for much to the IRS.

When her first husband died in 1961, Anna faced a federal estate tax liability far exceeding her ability to pay. Most ranchers can sympathize our income barely covers day to day expenses.

Since Anna's ranch couldn't produce sufficient cash to pay the estate taxes she owed the government, she was forced to sell. Only a small portion – a fifth – of the original acreage was saved, thanks to a loan my father provided to Anna and me upon our marriage.

By the sweat of our brows, we paid off this loan. But it took 18 years to do so.

I worked as a veterinarian by day and as a rancher at night and on weekends, while on call around the clock to help save a pet or deliver newborn livestock.

Anna worked alongside me at both the clinic and the ranch. We became accustomed to sacrifice, forgoing weekends with friends so we could develop water springs, install pipe lines, build roads and improve wildlife habitat and cattle grazing areas on our ranch. It was tough and exhausting, but we did it with relish in order to achieve our dreams of full-time cattle ranching.

I finally retired from the veterinary profession 18 years ago, at age 65, to focus more time on my family and to throw myself into full-time ranching. For once, Anna and I were able to focus all our time and energy on "working the land."

We expanded our existing ranchland. We worked hard to make our ranches ecologically sustainable and spent countless days restoring flora and fauna and seeking a healthy balance between cattle and wildlife.

Our kids pitched in and today even our grandchildren play an integral role in keeping the ranch running.

Those who haven't had the privilege of working their own land might question why people would choose such a life. It's simple really. We love the land and its inhabitants and we love our lifestyle. For me, seeing the increase of elk, deer, and other wildlife on my ranch is my Advil; it takes my pain away.

Anna passed away in 2008, and now it's just me. I intend to keep on ranching and die with my boots on.

At one time I would have assumed that the legacy we spent 60 years building would be passed down to my children. I now realize that federal estate tax law – the hated "death tax" – is all but designed to prevent it.

The fact is: My children will owe the government so much money when I die that the ranch will die with me. Despite my best efforts to preserve Anna's legacy, our children will lose most, if not all of the ranch. The land alone has a market value (not a production value) estimated at \$20 million. On top of this is \$500,000 in equipment, as well as nearly 1,100 head of Angus and Wagyu beef cattle.

My ranch's production is the same now as it was in 1995. However, the tax liability of the land is seven times as much as it was in 1995, as increases in land values have far outstripped production values.

My story and struggle are not unique. Some 24 million American families own businesses of every kind, including some 2 million family farms and ranches, like mine.

The estate tax threatens many of these businesses, just as it does mine. We all will face double – if not triple – taxation for working hard and leaving a legacy to our children. Our land, and the income earned from it, has been taxed every year. Now they want to take another 45 percent of its value when I die.

What, I might ask, has the federal government done to deserve this extra tax? Absolutely nothing.

In fact, some federal lawmakers want to keep or even raise the crippling federal estate tax. Others want to do the right thing and eliminate the tax.

The majority of Americans agree with the latter view. According to a new poll conducted by Opinion Research Corporation for the American Family Business Institute, of which I am a member, Americans want Congress to phase out the federal estate tax by a nearly two-to-one margin.

That's good news for those of us hoping to keep our farms and ranches in production, and in our families. It would also be good news for America.