

# Bruce Nevins

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### Estate tax leaves business in fear

By Bruce Nevins

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Note: Bruce Nevins is an experienced public spokesman (with television experience). Please contact [Adam Nicholson](#) to request an interview with Mr. Nevins about his death tax experience.

I'm passionate about wine.

I buy wines from all over the world and sell them at affordable prices in my Manhattan store. If customers like my wine selections, they buy more, and I do well. If not, I have to work harder at my picks—or face going out of business.

Stocking wine is expensive. The costs of doing business in Grand Central Terminal, where one of my family-owned stores is located, are astronomical.

When the value of all of our business assets is tallied up, I would appear—on paper—to be very well off. And for that, the IRS will punish me and likely force my family out of business when I die.

My success has created my problem: the estate tax.

The federal estate tax expired at the end of last year, but it will automatically come back to life Jan. 1, 2011, unless Congress prevents it. Families of the deceased will then owe the government 55% on all assets over \$1 million. New York residents pay an additional state estate tax, ranging from more than 5% to 16%. So New York residents could owe more than 70% of everything they own.

Many lawmakers don't understand what it takes to stay in business. If they did, they'd be pushing to repeal, not reinstate, the estate tax.

In a study for the American Family Business Foundation, Duquesne University Professor Antony Davies found that abolishing the federal estate tax would create or save as many as 100,000 businesses annually. In another study, published last year, Douglas Holtz-Eakin—former director of the Congressional Budget Office—found that repealing the federal estate tax would create as many as 1.5 million jobs.

Repealing the state's death tax would be equally beneficial. A 2008 Connecticut Department of Revenue Services study showed that the 26 states without estate taxes produced twice as many new jobs and their economies grew nearly 50% more from 2004 to 2007 than the 24 states with such taxes.

Despite clear evidence that the estate tax ruins family businesses and destroys jobs, some in Congress are recommending a “compromise.”

For many family businesses, including mine, this just means that the company will die a slower death. It is not a solution.

Sen. Kirsten Gillibrand has noted that “cutting taxes” would enable New York businesses to “create more jobs” and

encourage other businesses to “relocate to the state.” Cutting the estate tax is a good place to get started.

New York's congressional delegation needs to understand a simple business fact of life: A vote for the estate tax is a vote to kill small businesses and jobs.

*Bruce Nevins is the president, CEO and owner of Grande Harvest Wines in Grand Central Terminal and owner of WineWise in Greenwich, Conn.*