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December 15, 2011

Office of Governor Bill Haslam
1st Floor, State Capitol
Nashville, TN 37243

Dear Governor Haslam,

We are encouraged, this year, by your leadership and the work of the Tennessee assembly members to promote a friendlier economic environment for Tennessee's family business owners, family farmers, and their many employees. In particular, we are encouraged by many members who have publicly vowed to work towards eliminating Tennessee's Inheritance Tax which is a major obstacle to the survival of family owned businesses and farms.

It is true that while serious reforms like eliminating the death tax present short-term challenges, they are necessary steps towards leaving a legacy of economic prosperity in Tennessee and promoting job creation from the most productive sector of the economy – family businesses.

A recent study on the Tennessee Inheritance tax by Laffer Associates states that "Tennessee's estate and gift tax is the single greatest reason why wealthy people don't want to live in Tennessee." For those that continue to operate in Tennessee, the looming Death Tax burden ties up their working capital in expensive estate plans and life insurance policies. Tennessee's estate and gift tax, the study claims, has already reduced state GDP by up to \$18.2 billion over the past ten years. In addition, the robust economic growth resulting from elimination of the state's inheritance tax, would have added at least \$7 billion to state coffers over the last ten years. The tax currently accounts for less than 1% of total state revenues.

The conditions for repeal will never be as favorable as now. We are concerned about some of your recent statements indicating a reluctance to usher through repeal of the Tennessee Inheritance Tax in 2012. We are, however, confident that with your leadership and the support of a very motivated legislature, this important policy measure will be pursued.

Many winning candidates' top tax issue, and a pillar of your pro-growth platform during the 2010 election, was promoting the complete repeal of the Tennessee inheritance tax. With control of the Governor's office and state legislature in Republican hands, now is the time to push forward to swiftly eliminate the Tennessee Inheritance Tax.

Defending the American Dream

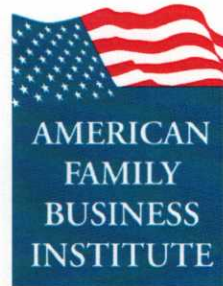
The state of Ohio recently repealed their state Estate Tax, making Ohio a more attractive place to keep capital and grow businesses. This was a widely reported and nationally touted victory. We strongly encourage you to work towards full repeal of the Inheritance Tax at the beginning of the next legislative session.

Please contact us if we can be of assistance in this crucial effort.

Sincerely,



Dick Patten
President, American Family Business Institute



Grover Norquist
President, Americans for Tax Reform



Tim Phillips
President, Americans for Prosperity



Justin Owen
President and CEO, Beacon Center of Tennessee

