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**SECTION:** NEWS; Pg. 2**LENGTH:** 916 words**HEADLINE:** LAWYER'S BOOKSHELF;  
Death by a Thousand Cuts: The Fight Over Taxing Inherited Wealth**BYLINE:** Reviewed by Theodore Pollack**BODY:**

Michael Graetz's and Ian Shapiro's new book sounds like the title of a best selling mystery. In fact, "Death by a Thousand Cuts" is a detailed account of the political forces that coalesced in the repeal of the estate tax. The authors are distinguished academics. Michael J. Graetz is the Justus H. Hotchkiss Professor of Law at Yale Law School, and Ian Shapiro is the William R. Kenan, Jr. Professor of Political Science at Yale University. Their book serves both as a valuable analysis of modern power politics related to estate tax legislation and in a larger context tax policy.

The authors successfully show how a variety of groups including the super wealthy, small business groups, and ordinary citizens came together in a coalition that secured repeal of the estate tax. Historically, the function of the estate tax was to levy a tax on the wealthiest Americans, and the richest segments of society would derive the greatest benefit from the revocation of the estate tax. However, repeal advocates understood that in terms of sheer numbers the elite could not carry the day in a legislative battle. Consequently, the issue for repeal had to be posed in a manner that would gather maximum popular support.

The anti-estate tax movement used a variety of methods to create a groundswell resulting in repeal of the estate tax. Semantics was a key tactic. The terminology of the estate tax was reborn as "the death tax" thereby identifying it more with death rather than a tax on the wealthy. Additionally, a human face was placed on the cause. This was accomplished in part by using Chester Thigpen as a representative example. Mr. Thigpen, the descendant of slaves, was portrayed as likely to lose much of the value of his tree farm business that he had developed over many years through his own sweat equity. The authors point out that Mr. Thigpen's story was used persuasively even though the estate tax did not cover Mr. Thigpen at the end of his life. The authors maintain, that even if the depictions were not completely truthful, the repeal movement effectively employed a strategy of using sympathetic stories versus cold statistics.

The repeal movement was also bolstered by linking the tax to an attack on the American dream. Before 2001, the tax covered estates of more than \$650,000 for individuals and \$1.3 million for married couples. With increased property values and large sums of wealth generated by the stock market boom of the 1990's, these amounts were foreseeable for a much greater number of Americans. Moreover, many Americans aspired to reach and surpass these levels. Small business owners with their powerful political coalitions were particularly irate that the product of their life's work could be diminished through the estate tax. Organizing and fanning these passions were key individuals termed grasstops who through their connections were able to influence government officials. In a conciliatory effort, Congressional repeal opponents advocated raising the tax to cover estates valued at greater than \$5 million. However, the 2001 tax bill was enacted with a slowly implemented repeal that postponed complete elimination of the estate tax until 2010. This tax legislation will expire after 2010 unless extended by new law.

What will be the effect of the estate tax repeal? The authors state that in the first decade following repeal, \$700 billion will be lost to the federal treasury. In a time of escalating deficits, this would seem to be of great significance. Many repeal advocates argue it is not a monetary issue but one of fairness on the grounds that the tax attaches previously taxed wealth. It is clear, however, that segments of the movement care only about reducing their tax burden. For the ultra-wealthy, the

net effect of repeal is an enrichment of millions of dollars.

Perhaps the even larger impact of the repeal may be on the philosophy underlying the nation's tax system and of governance itself. Our tax system for many years has been premised on progressive ideology that the wealthy should carry a larger burden than the non-wealthy. Repeatedly, the authors point out the merits and equity of a progressive system. The authors quote President Theodore Roosevelt who once said that a, "man of great wealth owes a peculiar obligation to the state, because he derives special advantage from the existence of government." This logic apparently is not the prevalent American way of thinking. Indeed, how can a government starved of revenue function? The authors quote a repeal movement leader as stating, "I don't want to kill the government. I just want to get it down to a size where I can drown it in a bath tub." Unlikely to ever fully be drowned, the authors' contend that the repeal of the estate tax will result in a shift of the burden to the lower classes.

"Death by a Thousand Cuts" is a timely and important book as there is much debate on the Bush administration's tax policy. It is highly recommended and may be most appropriate for libraries, academia, and political junkies. Unlike Eric Redman's "Dance of Legislation," this book lacks some of the compelling drama of the legislative process. Yet, it provides an enlightening and insightful account of the American political and tax systems. It is certain to be required reading for many college political science and economics classes.

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