



KILBOURN ASSOCIATES

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CONTACT: Mollie Page Griffin, 239-455-6727

**PERMANENT ESTATE TAX REPEAL IS UNLIKELY
According to E. Michael Kilbourn**

NAPLES, Florida (February 28, 2003) – Despite a big Republican win in the recent elections, the permanent repeal of the estate tax does not appear likely when the issue is taken up again, possibly this year. This prediction comes from author and estate tax expert E. Michael Kilbourn (www.kilbournassociates.com) and is based on Federal Reserve Chairman Alan Greenspan's recent comment to the Congressional Joint Economic Committee that voting now to extend the tax cuts in 2011 would have "no positive effect on the economy."

"Making a tax cut permanent will require a 60-vote super-majority in the Senate – not an easy task even with a Republican majority," says Kilbourn. Therefore, permanent repeal of the estate tax is not likely in the short run. And given that Congress has "permanently" eliminated estate taxes three times (and brought it back because of war and budget problems), repeal is not even likely in the long run.

While the long-term cost of estate tax repeal was in the background during debates over last year's tax law changes, those figures have gained new prominence. Thanks to the recession, the stock market collapse, and the biggest surge in federal spending in 20 years, there was a \$159 billion deficit in fiscal year 2002.

"That figure doesn't even account for the tax cuts being proposed by President Bush to boost the economy," points out Kilbourn. "Not to mention the cost of war with Iraq, the bill for homeland security, the promised prescription drug benefit for the elderly, and the shoring up of Social Security."

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A leading authority on estate planning, Kilbourn believes the unlikelihood of a permanent estate tax repeal means taking the time to create an estate plan with estate tax liquidity (typically, using discounted dollars from life insurance) continues to be a responsible strategy.

Kilbourn's latest book, *Disinherit the IRS*, was updated to reflect the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 and reveals simple, legal strategies to avoid so-called "death taxes," as well as steps individuals must take to protect their children, grandchildren, and future heirs from predators and claims from lawsuits and divorce.

E. Michael Kilbourn has appeared on Bloomberg Personal Finance and is available for media interviews. The Bloomberg interview can be seen at www.kilbournassociates.com.

Kilbourn Associates is located in Naples, Florida. To request a media kit or schedule an appointment for an interview with Mike, contact Mollie Page Griffin at 239-455-6727.

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