



The National Organization of Portuguese Americans

Legislative Alert ©

August 11, 2010

As a part of NOPA's mission to empower Portuguese-Americans, this Legislative Alert is sent out every two weeks as pertinent developments occur in order to keep the community informed of legislative action at the national level. This objective, non-partisan report aims to educate those interested about action on Capitol Hill that may affect the Portuguese-American community at large.

If you have any questions about this or other legislation, please contact NOPA's Government Affairs Team at info@nopa-us.org or 703-389-3512.

Legislative Update

An update on the Feinstein Estate Tax bill to protect Family Farms and Ranches can be found at the end of this alert.

Congress has just started their August recess and will be gone until the second week of September. There was a flurry of action before Congress left they left for their break.

Before leaving last week, the Senate passed a \$26.1 billion state aid bill and also voted to confirm Elena Kagan for the U.S. Supreme Court. The House briefly returned this week to pass the state aid bill and send it to the President to sign into law.

State Aid Bill

The \$26.1 billion state aid bill consists of \$16.1 billion to extend increased Medicaid payments to states and \$10 billion in aid to schools to prevent layoffs of teacher and other employees. The measure is deficit neutral over 10 years and the Congressional Budget Office projects it will reduce the deficit by \$1.4 billion over those ten years. Republican Senators Collins (ME) and Snowe (ME) joined the entire Democratic Caucus in the Senate to vote for the bill, as it passed 61-39. The House voted 247-161 to pass the bill and send it to the President. Democrats say the bill will help save 140,000 teachers' jobs and provide much needed relief to recession-torn state budgets that otherwise would need to be slashed, leading to possible layoffs of police and firemen. Republicans have called the bill a gift to the Democrats' union political allies and charge that the offset, which closes corporate tax breaks on income earned overseas, amounts to a tax increase on businesses.

You can find the legislative text of the substitute amendment (SA 4575), which is technically the final version of the bill here:

http://www.rules.house.gov/111/LegText/111_samndhamdn_hr1583.pdf



The Senate vote tally can be found here:

http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00228

The House vote tally can be found here: <http://clerk.house.gov/evs/2010/roll518.xml>

Elena Kagan Confirmed for Supreme Court

Last week, the Senate also voted 63-37 to confirm Elena Kagan to the U.S. Supreme Court. You can see how your Senator voted here:

http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00229

You can find her CV here:

<http://www.law.harvard.edu/faculty/directory/index.html?id=112>

Annual Social Security and Medicare Trustees Report

Also, the 2010 Annual Social Security and Medicare Trustees Report was released last Thursday. According to the [summary](#), 'The outlook for Medicare has improved substantially because of program changes made in the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act of 2010 (the "Affordable Care Act" or ACA). Despite lower near-term revenues resulting from the economic recession, the Hospital Insurance (HI) Trust Fund is now expected to remain solvent until 2029, 12 years longer than was projected last year, and the 75-year HI financial shortfall has been reduced to 0.66 percent of taxable payroll from 3.88 percent in last year's report. Nearly all of this improvement in HI finances is due to the ACA. The ACA is also expected to substantially reduce costs for the Medicare Supplementary Medical Insurance (SMI) program; projected program costs as a share of GDP over the next 75 years are down 23 percent relative to the costs projected for the 2009 report.' Here is HHS Sec. Sebelius' [press release](#) with additional summaries.

Introduced Legislation of Interest

July 27

By Mr. **CARDOZA**:

H. Res. 1557. A resolution supporting the facility under development by the Stanislaus County Ag Center Foundation, in Stanislaus County, California, known as the National Ag Science Center; to the Committee on Agriculture.

By Mr. **CARDOZA**:



H. Res. 1558. A resolution expressing the sense of the House of Representatives that fruit and vegetable and commodity producers are encouraged to display the American flag on labels of products grown in the United States, reminding us all to take pride in the healthy bounty produced by American farmers and workers; to the Committee on Agriculture.

By Mr. **DJOU**:

H.R. 5880. A bill to amend the Immigration and Nationality Act to provide for nonimmigrant visas for certain aliens whose petitions or applications are pending or who have not received immigrant visas; to the Committee on the Judiciary.

July 28

By Mrs. FEINSTEIN (for herself, Mr. Crapo, Mr. Udall of Colorado, Mr. Bennet, and Mrs. Boxer):

S. 3664. A bill to amend the Internal Revenue Code of 1986 to exempt certain farmland from the estate tax, and for other purposes; to the Committee on Finance.

July 30

By Mr. **HOLT** (for himself and Mr. **TONKO**):

H.R. 6036. A bill to improve foreign language instruction; to the Committee on Education and Labor.

By Mr. **CASTLE** (for himself and Mr. **DENT**):

H.R. 6018. A bill to amend the Immigration and Nationality Act with respect to a country that denies or unreasonably delays accepting the country's nationals upon the request of the Secretary of Homeland Security; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Mr. **CRAPO**, Mr. **UDALL** of Colorado, Mr. **BENNET**, and Mrs. **BOXER**):

S. 3664. A bill to amend the Internal Revenue Code of 1986 to exempt certain farmland from the estate tax, and for other purposes; to the Committee on Finance.

Summary of Senator Feinstein's Legislation To Protect Family Farms & Ranches

U.S. Senator Dianne Feinstein (D-Calif.) introduced legislation on July 28th designed to provide relief to family owned farms and ranches from estate taxes. The legislation is co-sponsored by Mike Crapo (R-Idaho), Mark Udall (D-Colo.), Michael Bennet (D-Colo.) and Barbara Boxer (D-Calif.).

"This legislation defers the payment of estate taxes for small family farms until those farms are no longer operated by the family, or until they are sold or used for other purposes,"



Senator Feinstein said. "To qualify, several criteria must be met: The deceased must have had an annual farm-related income below \$750,000. The farm must generate more than 50 percent of the farm owner's estate. It must be passed down to a family member who's been involved in the operation for at least five years. And that family member must continue to use the land for farming.

"It is simply a deferral. It is fair and responsible."

Background:

The federal estate tax can hit family farms and ranches especially hard. The value of farmland in some regions of the country has increased substantially in recent years, and many family farmers do not have sufficient assets to pay the federal estate tax in the event that they pass away. This sometimes forces family farmers and ranchers to sell all or part of their operation in order to foot the bill.

The estate tax was never intended to put family farms and ranches out of business or to prevent a legitimate family farmer or rancher from passing their business on to their children, ensuring that it remains in the family. This legislation would recognize that important principle by exempting family owned and operated farms and ranches, that stay in the family, from the estate tax.

Bill Summary:

Under the Family Farm Estate Tax Relief Act, farmers or ranchers would be exempt from paying federal estate taxes provided the following conditions are met:

- The farm must be passed down to an individual or family member who has been materially engaged in its management and operation for at least five years;
- The farm generated more than 50 percent of the farm owner's income, or comprised more than 50 percent of the farm owner's estate at the time of death;
- The farm was owned by the decedent for at least five years, and is located within the United States;
- The decedent or family member inheriting the estate continues to use the land for farming purposes;
- The farm-related income of the decedent in the three years prior to death does not exceed \$750,000 annually; and,
- At the time of his or her death, the decedent associated with the estate was a U.S. citizen or legal resident of the United States.

Additionally, to ensure that farming families do not abuse the exemption, the legislation would institute a "recapture tax," which would go into effect if the farm or ranch is subsequently sold or transferred outside the family, or is no longer used for farming or ranching. This tax would be calculated based on the value of the estate at the time the property is sold or transferred or ceases to be used for farming or ranching.



About Us

The source for all Congressional legislation information on this report was the THOMAS system from The Library of Congress (<http://thomas.loc.gov/>). Links for each of the bills listed above direct readers to the THOMAS web page specific to the bill.

You can find a PDF file of this and other alerts at NOPA's [website](#). If you have any questions about this or other legislation, please contact NOPA's Government Affairs Team at info@nopa-us.org or 703-389-3512.

The National Organization of Portuguese-Americans is a national non-profit, tax exempt organization that supports and works with communities and organizations to advocate for and empower Portuguese-Americans. If you feel inspired to join our mission, please send your tax deductible contribution to:

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