

\$80 Billion Dollar Walton Family Lobbies for Personal Tax Cuts

“It's a little unseemly to be talking about doing away with or enhancing the estate tax at a time when people are suffering.”

-- Sen. Charles Grassley (R-IA) [[Des Moines Register](#), 9/14/05]

Estate Tax Background

- Economic Growth and Tax Relief Reconciliation Act of 2001
- In 2001, the standard exemption for the estate tax was \$675,000 per individual, the minimum tax rate was 37% and the maximum tax rate was 60%
- In 2009, the standard exemption will be \$3,500,000 per individual, and the tax rate will be 45% across the board.
- In 2010, the estate tax will be repealed for one year
- In 2011 and onwards, the standard exemption will be \$1,000,000 per individual, the minimum tax rate will be 41% and the maximum tax rate will be 55%
[Public Citizen, “Spending Millions to Save Billions,” April 2006]

Estate Tax: What the Walton Family Stands To Gain

Walton Family Empire Worth Around \$80 Billion. According to the Forbes list of America's Richest Billionaires, Helen Walton (founder Sam Walton's widow), her three surviving children, and the widow of son John Walton are worth a total \$78.9 billion. [<http://www.forbes.com>]

Walton Family Owns 39% of Wal-Mart, Inc., Deferred Estate Tax Payment at Sam Walton's Death. “Sam Walton's widow, Helen, inherited his shares after his 1992 death; she now owns about 8% of the company. She is 85 and has not fully recovered from an automobile accident five years ago. Overall, Helen, daughter Alice, and sons Jim, John and Rob, own nearly 40% of Wal-Mart. The children got their shares when the company started, allowing the family to defer billions in estate taxes at Walton's death.” [[USA Today](#), 4/6/05, emphasis added]

Estate Tax Could Cost Waltons \$8.7 Billion and Reduce Family Control of Wal-Mart. A report on Wal-Mart and Walton family charitable donations by the National Council for Responsive Philanthropy estimated that the death of Helen Walton would result in an estate tax bill of around \$8.7 billion. “This payment and the resulting sale of Wal-Mart stock would reduce the family's control over the company.” [National Council for Responsive Philanthropy, “The Waltons and Wal-Mart: Self-Interested Philanthropy, September 2005]

Walton Family Earned Almost \$240 Million in Dividend Tax Cuts in 2005 Alone. In 2003 Bush enacted a dividend tax cut which resulted in the Walton family saving \$239 million in taxes in 2005 alone. [Wal-Mart 10-K Filing/Annual Report, 3/31/05, (Internal Calculation)]

Estate Tax: What the Walton Family Is Doing to Protect Its Assets

Walton Family Active in Efforts to Permanently Repeal Estate Tax: “The Waltons have joined a coterie of wealthy families trying to save fortunes through permanent repeal of the estate tax, government watchdogs say. ... The Waltons declined to discuss their political activities. But a USA TODAY review of public documents reveals a small-town Arkansas family emerging as a political juggernaut on tax issues, extending Wal-Mart's influence over U.S. society even more.” [[USA Today](#), 4/6/05]



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- **Wealthiest Two Americans Oppose Estate Tax Repeal.** According to the 2006 Forbes list of “The World’s Billionaires,” William Gates and Warren Buffett are the two wealthiest people in America and the world. Gates and Buffett both lobby to retain the estate tax. According to CQ Weekly, “Not every rich person in America is lobbying to repeal the tax: Notably, the two richest, Bill Gates, founder of Microsoft Corp., and investor Warren Buffet, whose fortunes total about \$48 billion and \$41 billion respectively, want to preserve it.” With their individual wealth added together, the Walton heirs are wealthier than Gates and Buffett combined. [Forbes, 3/09/06; CQ Weekly, 6/6/05]

Walton Family Gives \$600,000 To Lobbying Firm To Save Billions On Estate Tax. Lobby disclosure record show the Walton family paid Patton Boggs LLP, an influential lobbying firm located in Washington, DC, \$600,000 dollars since 1999 in an effort to repeal the estate tax. In 2005, the Walton family would have saved \$32.6 billion if the estate tax were repealed. [Public Citizen, “Spending Millions to Save Billions,” April 2006]

The Food Marketing Institute Spends \$3.2 Million On The Estate Tax. The Food Marketing Institute, a trade association for the grocery industry, spends millions to advance the interests of its clients. Wal-Mart is a member of the Food Marketing Institute and together they how to repeal the estate tax. [Public Citizen, “Spending Millions to Save Billions,” April 2006; www.fmi.org]

DONATIONS: Walton Family Gave \$2.6 Million to Fund Conservative Progress for America. The USA Today reported, between August and October 2004, Alice Walton personally poured at least \$2.6 million into the right-wing, pro-Bush 527 group Progress for America. The donation was Progress for America’s “sixth-biggest gift.” Larry Noble, head of the Center for Responsive Politics, said Walton’s gift makes her “a political force to be reckoned with.” Progress For America was behind the 527 committee Swift Vets and POWs for Truth attacked Sen. John Kerry during the 2004 Presidential election. [USA Today, 4/6/05; <http://www.publicintegrity.org/527/search.aspx?act=com&orgid=714>]

- **Progress for America is Committed to Promoting Conservative Causes.** Progress for America “promotes nonpartisan, conservative policies that improve the quality of life for the American people. During the 109th Congress, PFA will advance a conservative legislative agenda to reform Social Security, confirm President Bush’s judicial nominees, overhaul the tax code and end lawsuit abuse.” [<http://www.progressforamerica.com/1101-110.html>]

Key Quotes

99.7% of the Population Will Pass Along Assets Untaxed. “In reality, only the wealthiest one-fourth of 1 percent of all people who die in the United States in 2006 will pay any estate taxes. That leaves the other 99.7 percent of the public free to pass on 100 percent of their assets untaxed. And the American Farm Bureau, a member of the anti-estate tax coalition, has been unable to cite a single instance where a family was forced to sell its farm because of estate tax liability. The same goes for small businesses, which have rarely faced taxation as the exemption rate on the tax has been increased.” [Seattle Post-Intelligencer, 6/6/06]

Estate Tax Is Not Double Taxation. “He (Henry Aaron, a leading tax economist) said that not all income was taxed, so the estate tax acts as a backup to prevent tax-free living by the richest Americans. He argued that the tax discouraged dynastic wealth and thus encouraged economic vitality. And he said



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that ‘whatever distortions’ taxes caused, less harm came from those imposed after death than during life.”
[[New York Times](#), 6/7/06]

Estate Tax Repeal Would Cost \$600 Billion Over 10 Years. “Full repeal would cost more than \$600 billion over 10 years, according to the Congressional Joint Committee on Taxation, although supporters insist the actual cost would be much lower. The full cost would start to hit the Treasury in 2011 — the same year that the nation's oldest baby boomers will turn 65 and start a sharp rise in spending on Social Security and Medicare.” [[New York Times](#), 6/7/06]

Term “Death Tax” Created To Scare Public. “Proponents of full repeal have dubbed the estate tax the death tax to scare Americans. But local philanthropist Bill Gates Sr. prefers to call it a grateful heirs tax, one the wealthiest among us should be happy to give back to society in recognition of the public infrastructure, education and technology that made their families’ success possible.” [[Seattle Post-Intelligencer](#), 6/6/06]

The Rich Get Richer. “On the other hand, an estate tax repeal would save the estate of Vice President Cheney between \$13 million and \$61 million, according to the publicly available data on his net worth. It would save the estate of Defense Secretary Donald Rumsfeld between \$32 million and \$101 million. The estate of retired Exxon Mobil chairman Lee Raymond would pocket a cozy \$164 million. As for the late Sam Walton’s kids, whose company already makes taxpayers foot the bill for the medical expenses of thousands of its employees, the cost to the government for not taxing their estates would run into the multiple billions.” [[Washington Post](#), 5/31/06]



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