

Mr. Jeffrey F. Kupfer, Executive Director
The President's Advisory Panel on Federal Tax Reform
1440 New York Avenue NW
Suite 2100
Washington, DC 20220

FEB 17 2005

Dear Ms. Kupfer:

We write to you on behalf of the organizations that collaborated in the production of the enclosed report, and we commend it to your attention. We are encouraged by the creation of this Presidential Advisory Panel, and we hope our document proves to be a valuable resource in the momentous work before you

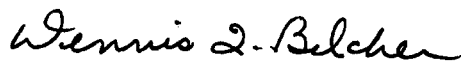
The Economic Growth and Tax Relief Reconciliation Act of 2001 made significant changes to the federal estate and gift tax laws that produced confusion and uncertainty for taxpayers. In fact, because of the changes, taxpayers subject to the federal estate tax now need to have three different estate plans: (1) during the period between now and 2009 (a period of increasing exemptions and decreasing rates), (2) in 2010 (when the estate tax is repealed), and (3) after 2011 (when the law reverts back to pre-2001 law). The result is that the system appears somewhat arbitrary, and is costly for the taxpayer seeking assistance.

To clarify and provide expert analysis of the issues presented by the Act, six professional entities prepared the enclosed *Report on Reform of Federal Wealth Transfer Taxes*, namely: (1) the American Bar Association Section of Real Property, Probate and Trust Law, (2) the American Bar Association Section of Taxation, (3) the American College of Tax Counsel, (4) the American College of Trust and Estate Counsel, (5) the American Bankers Association, and (6) the American Institute of Certified Public Accountants. It is our hope that this document and its executive summary provide a useful tool for you in prospective consideration of federal wealth transfer tax legislation.

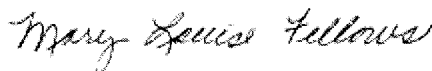
The central concern of the Report is to assess issues of simplicity, compliance, and enforcement during the phase-out and temporary repeal of the estate and generation-skipping transfer taxes and beyond, as well as to provide alternatives to federal wealth transfer tax repeal. The Report is designed to provide diverse views and perspectives and while it does suggest alternatives, the Report does not make specific recommendations as to what the law should be.

Accordingly, we hope you find the Report useful in any further consideration of further changes to federal wealth transfer tax law. If you have any questions or would like to discuss any portion of the report or its contents, we would be delighted to speak with you.

Sincerely,



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