

7 OF 10 HISPANIC BUSINESS OWNERS WANT CANDIDATES WHO WILL END THE DEATH TAX
1 in 4 Say Businesses Will Liquidate to Pay 49% Death Tax Rate

WASHINGTON, DC (July 14) – More than 8 out of 10 Hispanic business owners likely to vote in 5 key states believe that the federal “Death Tax” is unfair, and 71 percent say they’ll support candidates who oppose the tax over one who favored keeping it, according to a study released today by IMPACTO Group LLC.

The study released Wednesday by IMPACTO Group LLC, an opinion research firm specializing in the study of attitudes in the Hispanic community, surveyed likely Hispanic voters who own businesses in Arizona, California, Florida, Nevada and New Mexico. The results found that opposition to the “Death Tax” is equally high among men and women and throughout all regions of the country.

The study was praised by several prominent Hispanic business leaders for what it revealed about the community’s knowledge and preparation for dealing with the “Death Tax.”

“There are more than 2 million Hispanic-owned small businesses in the United States, one in four who said they would have to sell off part of their businesses to pay the ‘Death Tax,’” said Jose Canchola, a Tucson, Ariz.,-based entrepreneur who parlayed his ownership of several McDonald’s franchises into part ownership of the Arizona Diamondbacks baseball team. “These are the most upwardly-mobile members of the Hispanic community, but everything they’ve worked for is at risk, just to pay a tax.”

J.R. Gonzales, acting president of the U.S. Hispanic Chamber of Commerce (USHCC) said, “Fewer than half the Hispanic small business owners surveyed said they have not been able to take any steps at all to prepare for the devastating 49% “Death Tax” rate,” unlike the wealthiest individuals in America who hire lawyers and accountants to take advantage of all the loopholes.

Some Latino leaders used the study to focus on the Hispanic impact in the 2004 elections. “The Hispanic vote is maturing and this survey proves it,” said Jose Nino, former president of the USHCC. “Hispanics have moved to a new level of political activism – one that reflects our growing role as America’s entrepreneurs.”

“This study confirms that the ‘Death Tax’ has a disproportionate impact on small, minority-owned businesses, those that are the least able to prepare,” said Robert DePosada, President of the Latino Coalition. “That’s why fully half of Hispanic business owners know a firm that’s had to liquidate to pay the ‘Death Tax,’ and why 1 out of 4 expect they’ll someday be in that position themselves.”

“Today we’re proud to announce a new coalition of 19 Hispanic, minority and small-business organizations have joined forces calling for President Bush to support bipartisan legislation to permanently repeal ‘Death Taxes,’” DePosada added. The new coalition is called the Minority Estate Tax Repeal Coalition.

Among the survey’s findings:

- 83% of Hispanic small business owners surveyed believe that the “Death Tax” is unfair;
- 71% of respondents say they’ll support candidates who want to eliminate the “Death Tax;”
- More than one third (36%) of respondents believe they can escape “death taxes” by taking their assets out of the country before their death;

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- Only about 1 Hispanic small business in 3 has taken steps to deal with the “Death Tax,” and 1 out of 4 believe their heirs would be forced to sell off part of their businesses to do so;
- Half of all respondents already know a Hispanic-owned small business that has had difficulty meeting the tax, including some that were forced to liquidate;
- Awareness of the “Death Tax” issue increases as voters age; Hispanic business owners over the age of 50 – those most likely to vote – are most aware of the tax (76%);
- A majority of Hispanic small business owners expressed strong disagreement with the 49% “Death Tax” rate.
- 81% of respondents say they are motivated to take action on the death tax issue, including writing a letter to Congress;
- 79% of respondents agree that their businesses are overtaxed;
- 81% believe wealthy individuals will be able to avoid the “Death Tax” by hiring lawyers and accountants, but 73% believe the “Death Tax” is unfair regardless of the amount of wealth attained;
- 66% say the tax is affecting their ability to meet company goals by distracting their attention (23%) and wasting resources (11%).

Among the organizations joining the anti-death tax coalition were: the U.S. Hispanic Chamber of Commerce, The Latino Coalition, Latin Business Association, the United Retailers Association, U.S. Indian American Chamber of Commerce, U.S. Hispanic Contractors Association, the International Massage Association, Greater Washington Ibero-American Chamber of Commerce, Hispanic Business Roundtable, Hispanic Chamber of Commerce of Orange County, International Massage Association, Latin American Management Association, Minority Business Roundtable, National Alliance for a Debt-Free America, Inc., National Federation of Hispanic Owned Newspapers, National Hispanic-Latino American Agenda Summit, Tele Guia de Chicago, Tulare Kings Hispanic Chamber of Commerce, California Hispanic Chambers of Commerce and the U.S. –Mexico Chamber of Commerce.

The IMPACTO study consisted of 154 executive one-on-one executive interviews conducted April 7-24, 2004, among likely voters of Hispanic descent who own family businesses in Arizona, California, Florida, Nevada and New Mexico. The sample yielded a margin of error of +/- 7.9 at the 95% confidence level.

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