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Everyone looking to pass on their life's work to their heirs would be well advised to die before New Year's Day 2011.

That's when the 10-year steady reductions in the federal estate tax come to an end, before shooting back up to 55 percent. That's also when the "temporary" reductions in the capital gains tax say farewell to their 15 percent rate and return to their 20 percent to 39 percent level.

Please don't divert your eyes from this commentary if you think none of this affects you, but only the rich. It affects almost everyone.

"While a generation ago, these may have sounded like the lofty concerns of the wealthy elite, today, these are mainstream, middle-class experiences," said Rep. Harry Mitchell, D-Ariz., in a statement to his U.S. House colleagues. "In 1983, less than 20 percent of Americans owned stock. Now, between IRAs, 401(k)s, and education savings accounts, more than half of Americans do. And after a decade and a half of low-interest rates, more than two thirds of Americans are now homeowners. By 2011, the year these tax cuts expire, economists predict that number will reach 70 percent."

Mitchell has teamed up with U.S. Rep. Chris Shays, R-Conn., to author the Capital Gains and Estate Tax Relief Act of 2007
. Their bill will have heavy slogging through Congress, but it deserves the support of every family, homeowner, small-business owner and investment property owner.

Quite simply, Shays' and Mitchell's tax relief act would make the current, but temporary, 15 percent tax rate on capital gains permanent. Their proposal would also make permanent the steady increases in the exemption amounts on the estate tax, which many - more accurately - refer to as the death tax, because someone needs to die in order to trigger the levy.

Prior to 2001, if a person's combined assets totaled more than $675,000, the estate tax kicked in. Two tax cuts in 2001 and 2003 steadily raised that exemption ceiling to $1 million in 2003, $2 million in 2007, $3.5 million in 2009, and unlimited in 2010. Think these amounts sound out of your league? Think again. You might be wealthier than you ever imagined, at least in the eyes of your government.

In adding up your estate, the government considers what you have in your bank account, the value of your home, the value of your small business (if you have one), and, what many don't realize until their smacked in the face with it, the value of their life insurance policy.

Home values are a big death-tax reaper, especially in Arizona where home values have shot up by more than 150 percent in the past 10 years. A home purchased for $250,000 in 1990 could be worth $625,000 today. Add all your other assets to this amount, and it is not difficult to see how you can become an instant millionaire.

The tentacles of the tax man are many and do not have a grip around only the dead (actually heirs of the dead); there is plenty to squeeze out of the living, and that he does through capital gains tax. The capital gains tax is levied when you sell your home or investment property, when you earn interest from a bank, and when you earn interest from the stock market. On this latter pool of money, the Federal Reserve noted that 80 percent of the increase in the capital gains receipts coming into the government between 1998 and 2004 was fueled by middle-income Americans investing their savings. In short, we're all in this together.

"Clearly the political winds have changed," Mitchell said, "But in the race to distance ourselves from the former Congressional leadership, I implore my colleagues to give careful consideration to these tax cuts before dismissing them. Consider the legislation, not through a caustic, partisan lens, but on its merits. The middle class wants Congress to make these tax cuts permanent."

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