

116TH CONGRESS
1ST SESSION

H. R. 218

To amend the Internal Revenue Code of 1986 to repeal the estate and generation-skipping transfer taxes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2019

Mr. SMITH of Missouri (for himself, Mr. BISHOP of Georgia, Mr. KING of Iowa, Mr. BARR, Mr. ESTES, Mr. DAVID P. ROE of Tennessee, Mr. DESJARLAIS, Mr. WESTERMAN, Mr. GIBBS, Mr. DUNCAN, Mr. ABRAHAM, Mr. YOHO, Mr. BISHOP of Utah, Mr. COLLINS of New York, Mr. BOST, Mr. BUDD, Mr. AUSTIN SCOTT of Georgia, Mr. LAHOOD, Ms. FOXX of North Carolina, Mr. LONG, Mr. DAVIDSON of Ohio, Mr. BANKS, Mr. BACON, Mr. HILL of Arkansas, Mrs. ROBY, Mr. BIGGS, Mr. YOUNG, Ms. CHENEY, Mr. MITCHELL, Mr. WOMACK, Mr. CRAWFORD, Mr. BILIRAKIS, Mr. PERRY, Mr. BUCK, Mr. GUTHRIE, Mr. SMITH of Nebraska, Mr. HIGGINS of Louisiana, and Mrs. MCMORRIS RODGERS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the estate and generation-skipping transfer taxes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Death Tax Repeal
5 Act”.

1 **SEC. 2. REPEAL OF ESTATE AND GENERATION-SKIPPING**
 2 **TRANSFER TAXES.**

3 (a) ESTATE TAX REPEAL.—

4 (1) IN GENERAL.—Subchapter C of chapter 11
 5 of subtitle B of the Internal Revenue Code of 1986
 6 is amended by adding at the end the following new
 7 section:

8 **“SEC. 2210. TERMINATION.**

9 “(a) IN GENERAL.—Except as provided in subsection
 10 (b), this chapter shall not apply to the estates of decedents
 11 dying on or after the date of the enactment of the Death
 12 Tax Repeal Act.

13 “(b) CERTAIN DISTRIBUTIONS FROM QUALIFIED
 14 DOMESTIC TRUSTS.—In applying section 2056A with re-
 15 spect to the surviving spouse of a decedent dying before
 16 the date of the enactment of the Death Tax Repeal Act—

17 “(1) section 2056A(b)(1)(A) shall not apply to
 18 distributions made after the 10-year period begin-
 19 ning on such date, and

20 “(2) section 2056A(b)(1)(B) shall not apply on
 21 or after such date.”.

22 (2) CLERICAL AMENDMENT.—The table of sec-
 23 tions for subchapter C of chapter 11 of the Internal
 24 Revenue Code of 1986 is amended by adding at the
 25 end the following new item:

“Sec. 2210. Termination.”.

1 (b) GENERATION-SKIPPING TRANSFER TAX RE-
2 PEAL.—

3 (1) IN GENERAL.—Subchapter G of chapter 13
4 of subtitle B of such Code is amended by adding at
5 the end the following new section:

6 **“SEC. 2664. TERMINATION.**

7 “This chapter shall not apply to generation-skipping
8 transfers on or after the date of the enactment of the
9 Death Tax Repeal Act.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-
11 tions for subchapter G of chapter 13 of such Code
12 is amended by adding at the end the following new
13 item:

“Sec. 2664. Termination.”.

14 (c) CONFORMING AMENDMENTS RELATED TO GIFT
15 TAX.—

16 (1) COMPUTATION OF GIFT TAX.—Subsection
17 (a) of section 2502 of the Internal Revenue Code of
18 1986 is amended to read as follows:

19 “(a) COMPUTATION OF TAX.—

20 “(1) IN GENERAL.—The tax imposed by section
21 2501 for each calendar year shall be an amount
22 equal to the excess of—

23 “(A) a tentative tax, computed under para-
24 graph (2), on the aggregate sum of the taxable

1 gifts for such calendar year and for each of the
2 preceding calendar periods, over

3 “(B) a tentative tax, computed under para-
4 graph (2), on the aggregate sum of the taxable
5 gifts for each of the preceding calendar periods.

6 “(2) RATE SCHEDULE.—

**“If the amount with respect
to which the tentative tax
to be computed is:**

Not over \$10,000	The tentative tax is:
Over \$10,000 but not over \$20,000.	18% of such amount. \$1,800, plus 20% of the excess over \$10,000.
Over \$20,000 but not over \$40,000.	\$3,800, plus 22% of the excess over \$20,000.
Over \$40,000 but not over \$60,000.	\$8,200, plus 24% of the excess over \$40,000.
Over \$60,000 but not over \$80,000.	\$13,000, plus 26% of the excess over \$60,000.
Over \$80,000 but not over \$100,000.	\$18,200, plus 28% of the excess over \$80,000.
Over \$100,000 but not over \$150,000.	\$23,800, plus 30% of the excess over \$100,000.
Over \$150,000 but not over \$250,000.	\$38,800, plus 32% of the excess of \$150,000.
Over \$250,000 but not over \$500,000.	\$70,800, plus 34% of the excess over \$250,000.
Over \$500,000	\$155,800, plus 35% of the excess of \$500,000.”.

7 (2) LIFETIME GIFT EXEMPTION.—

8 (A) IN GENERAL.—Paragraph (1) of sec-
9 tion 2505(a) of the Internal Revenue Code of
10 1986 is amended to read as follows:

11 “(1) the amount of the tentative tax which
12 would be determined under the rate schedule set
13 forth in section 2502(a)(2) if the amount with re-
14 spect to which such tentative tax is to be computed
15 were \$10,000,000, reduced by”.

1 (B) INFLATION ADJUSTMENT.—Section
2 2505 of such Code is amended by adding at the
3 end the following new subsection:

4 “(d) INFLATION ADJUSTMENT.—

5 “(1) IN GENERAL.—In the case of any calendar
6 year after 2011, the dollar amount in subsection
7 (a)(1) shall be increased by an amount equal to—

8 “(A) such dollar amount, multiplied by

9 “(B) the cost-of-living adjustment deter-
10 mined under section 1(f)(3) for such calendar
11 year by substituting ‘calendar year 2010’ for
12 ‘calendar year 2016’ in subparagraph (A)(ii)
13 thereof.

14 “(2) ROUNDING.—If any amount as adjusted
15 under paragraph (1) is not a multiple of \$10,000,
16 such amount shall be rounded to the nearest mul-
17 tiple of \$10,000.”.

18 (3) OTHER CONFORMING AMENDMENTS RE-
19 LATED TO GIFT TAX.—

20 (A) The heading for section 2505 of such
21 Code is amended by striking “**UNIFIED**”.

22 (B) The item in the table of sections for
23 subchapter A of chapter 12 of such Code relat-
24 ing to section 2505 is amended to read as fol-
25 lows:

“Sec. 2505. Credit against gift tax.”.

1 (C) Section 2801(a)(1) of such Code is
2 amended by striking “section 2001(c) as in ef-
3 fect on the date of such receipt” and inserting
4 “section 2502(a)(2)”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to estates of decedents dying, gen-
7 eration-skipping transfers, and gifts made, on or after the
8 date of the enactment of this Act.

9 (e) TRANSITION RULE.—

10 (1) IN GENERAL.—For purposes of applying
11 sections 1015(d), 2502, and 2505 of the Internal
12 Revenue Code of 1986, the calendar year in which
13 this Act is enacted shall be treated as two separate
14 calendar years one of which ends on the day before
15 the date of the enactment of this Act and the other
16 of which begins on such date of enactment.

17 (2) APPLICATION OF SECTION 2504(b).—For
18 purposes of applying section 2504(b) of the Internal
19 Revenue Code of 1986, the calendar year in which
20 this Act is enacted shall be treated as one preceding
21 calendar period.

○