

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4154

To amend the Internal Revenue Code of 1986 to repeal the new carryover basis rules in order to prevent tax increases and the imposition of compliance burdens on many more estates than would benefit from repeal, to retain the estate tax with a \$3,500,000 exemption, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2009

Mr. POMEROY introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the new carryover basis rules in order to prevent tax increases and the imposition of compliance burdens on many more estates than would benefit from repeal, to retain the estate tax with a \$3,500,000 exemption, and for other purposes.

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 “Permanent Estate Tax  
5       Relief for Families, Farmers, and Small Businesses Act  
6       of 2009”.

1 **SEC. 2. RETENTION OF ESTATE TAX; REPEAL OF CARRY-**  
2 **OVER BASIS.**

3 (a) IN GENERAL.—Subtitles A and E of title V of  
4 the Economic Growth and Tax Relief Reconciliation Act  
5 of 2001, and the amendments made by such subtitles, are  
6 hereby repealed; and the Internal Revenue Code of 1986  
7 shall be applied as if such subtitles, and amendments, had  
8 never been enacted.

9 (b) SUNSET NOT TO APPLY.—Section 901 of the  
10 Economic Growth and Tax Relief Reconciliation Act of  
11 2001 shall not apply to title V of such Act.

12 (c) CONFORMING AMENDMENTS.—

13 (1) Sections 511(d) and 521(b)(2) of the Eco-  
14 nomic Growth and Tax Relief Reconciliation Act of  
15 2001, and the amendments made by such sections,  
16 are hereby repealed; and the Internal Revenue Code  
17 of 1986 shall be applied as if such sections, and  
18 amendments, had never been enacted.

19 (2) Subsection (c) of section 2511 of the Inter-  
20 nal Revenue Code of 1986 is hereby repealed.

21 **SEC. 3. MODIFICATIONS TO ESTATE AND GIFT TAXES.**

22 (a) \$3,500,000 APPLICABLE EXCLUSION AMOUNT.—  
23 Subsection (c) of section 2010 of the Internal Revenue  
24 Code of 1986 (relating to applicable credit amount) is  
25 amended by striking all that follows “the applicable exclu-  
26 sion amount” and inserting “. For purposes of the pre-

1 ceding sentence, the applicable exclusion amount is  
 2 \$3,500,000.”.

3 (b) FREEZE MAXIMUM ESTATE AND GIFT TAX  
 4 RATES AT 45 PERCENT.—Subsection (c) of section 2001  
 5 of such Code is amended—

6 (1) by striking paragraph (2),

7 (2) by striking so much of paragraph (1) as  
 8 precedes the table contained therein, and

9 (3) by striking the last 2 items in the table and  
 10 inserting the following new item:

“Over \$1,500,000 ..... \$555,800, plus 45 percent of the ex-  
 cess of such amount over  
 \$1,500,000.”.

11 (c) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to estates of decedents dying, and  
 13 gifts made, after December 31, 2009.

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