

105TH CONGRESS
1ST SESSION

H. R. 64

To amend the Internal Revenue Code of 1986 to provide an inflation adjustment for the amount of the maximum benefit under the special estate tax valuation rules for certain farm, etc., real property.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. HERGER (for himself and Ms. DUNN) 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 provide an inflation adjustment for the amount of the maximum benefit under the special estate tax valuation rules for certain farm, etc., real property.

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. INFLATION ADJUSTMENT OF MAXIMUM BENE-**
4 **FIT UNDER SPECIAL ESTATE TAX VALUATION**
5 **RULES FOR CERTAIN FARM, ETC., REAL**
6 **PROPERTY.**

7 (a) IN GENERAL.—Paragraph (2) of section
8 2032A(a) of the Internal Revenue Code of 1986 (relating

1 to limitation on aggregate reduction in fair market value)
 2 is amended to read as follows:

3 “(2) LIMITATION ON AGGREGATE REDUCTION
 4 IN FAIR MARKET VALUE.—

5 “(A) IN GENERAL.—The aggregate de-
 6 crease in the value of qualified real property
 7 taken into account for purposes of this chapter
 8 which results from the application of paragraph
 9 (1) with respect to any decedent shall not ex-
 10 ceed \$750,000.

11 “(B) INFLATION ADJUSTMENT.—In the
 12 case of estates of decedents dying in a calendar
 13 year after 1996, the \$750,000 amount set forth
 14 in subparagraph (A) shall be increased by an
 15 amount equal to—

16 “(i) \$750,000, multiplied by

17 “(ii) the cost-of-living adjustment de-
 18 termined under section 1(f)(3) for such
 19 calendar year by substituting ‘calendar
 20 year 1995’ for ‘calendar year 1992’ in sub-
 21 paragraph (B) thereof.

22 Any increase determined under the preceding
 23 sentence shall be rounded to the nearest mul-
 24 tiple of \$1,000.”

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to estates of decedents dying
3 after December 31, 1996.

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