

106TH CONGRESS
1ST SESSION

H. R. 2107

To amend the Internal Revenue Code of 1986 to exclude from the gross estate the value of certain works of artistic property created by the decedent.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1999

Mr. NADLER 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 exclude from the gross estate the value of certain works of artistic property created by the decedent.

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. EXCLUSION FROM GROSS ESTATE OF VALUE**
4 **OF CERTAIN WORKS OF ARTISTIC PROPERTY**
5 **CREATED BY DECEDENT.**

6 (a) IN GENERAL.—Section 2031 of the Internal Rev-
7 enue Code of 1986 (relating to definition of gross estate)
8 is amended by striking subsection (d) and inserting after
9 subsection (c) the following:

1 “(d) WORKS OF ARTISTIC PROPERTY CREATED BY
2 THE DECEDENT.—

3 “(1) IN GENERAL.—If the executor makes the
4 election described in paragraph (4), there shall be
5 excluded from the gross estate the value of each
6 qualified work of artistic property held by the dece-
7 dent at the time of his death if, by his personal ef-
8 forts, the decedent created such qualified work of ar-
9 tistic property.

10 “(2) APPLICATION.—Paragraph (1) shall not
11 apply unless the decedent held at the time of his
12 death not less than 50 of such qualified works of ar-
13 tistic property.

14 “(3) QUALIFIED WORK OF ARTISTIC PROP-
15 erty.—For purposes of paragraph (1), the term
16 ‘qualified work of artistic property’ means a—

17 “(A) painting,

18 “(B) drawing,

19 “(C) sculpture,

20 “(D) sculpture that is in multiple cast,
21 carved, or fabricated of 200 or fewer that are
22 consecutively numbered by the decedent and
23 bear the signature or other existing mark of the
24 decedent,

1 “(E) monoprint or monotype that is a
 2 unique print or a print pulled in an edition of
 3 1: a single impression,

4 “(F) print that is in a limited edition of
 5 not more than 200 copies that are signed and
 6 consecutively numbered by the decedent, or

7 “(G) a still photographic image produced
 8 for exhibition purposes only, existing in a single
 9 copy that is signed by the decedent, or in a lim-
 10 ited edition of 200 copies or fewer that are
 11 signed and consecutively numbered by the dece-
 12 dent.

13 “(4) ELECTION.—The election under this sub-
 14 section shall be made on or before the due date (in-
 15 cluding extensions) for filing the return of tax im-
 16 posed by section 2001 and shall be made on such re-
 17 turn.

18 “(e) CROSS REFERENCES.—

“**(1) For executor’s right to be furnished on re-
 quest a statement regarding any valuation made by
 the Secretary within the gross estate, see section
 7517.**

“**(2) For income in respect of a decedent in the
 case of works of art of the decedent who created
 such property, see section 691.”.**

19 (b) INCOME IN RESPECT OF DECEDENTS.—Sub-
 20 section (a) of section 691 of such Code (relating to inclu-
 21 sion in gross income of recipients of income in respect of

1 decedents) is amended by adding at the end the following
 2 new paragraph:

3 “(6) CERTAIN WORKS OF ARTISTIC PROP-
 4 ERTY.—For purposes of paragraphs (1), (2), and
 5 (3), a work of artistic property whose value was ex-
 6 cluded from the gross estate of a decedent under
 7 section 2031(d) shall be treated as a right to receive
 8 an item of income in respect of a decedent.”.

9 (c) CARRYOVER BASIS.—

10 (1) IN GENERAL.—Subsection (a) of section
 11 1014 of such Code (relating to general rule for basis
 12 of property acquired from a decedent) is amended by
 13 striking “or” at the end of paragraph (3), by strik-
 14 ing the period at the end of paragraph (4) and in-
 15 serting “, or”, and by adding at the end the fol-
 16 lowing new paragraph:

17 “(5) in the case of a work of artistic property
 18 treated as a right to receive an item of income in re-
 19 spect of the decedent under section 691(a)(6), the
 20 basis in the hands of the decedent.”.

21 (2) CONFORMING AMENDMENT.—Subsection (c)
 22 of section 1014 of such Code (relating to property
 23 representing income in respect of a decedent) is
 24 amended by striking “This” and inserting “Except
 25 as provided by subsection (a)(5), this.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to decedents dying after the date
3 of the enactment of this Act.

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