

106TH CONGRESS
1ST SESSION

H. R. 2760

To amend the Internal Revenue Code of 1986 to establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1999

Mr. HOUGHTON 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 establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction.

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. CREDIT EQUIVALENT TO LIMITED MARITAL DE-**
4 **DUCTION IN CASE OF CERTAIN EMPLOYEES**
5 **OF INTERNATIONAL ORGANIZATIONS.**

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

1 **“SEC. 2210. CREDIT EQUIVALENT TO LIMITED MARITAL DE-**
 2 **DUCTION IN CASE OF CERTAIN EMPLOYEES**
 3 **OF INTERNATIONAL ORGANIZATIONS.**

4 “(a) GENERAL RULE.—In the case of a decedent to
 5 whom this section applies, the tax determined under sec-
 6 tion 2001(b) or 2101(b) (whichever is applicable) shall be
 7 reduced by the applicable marital transfer credit deter-
 8 mined under subsection (c).

9 “(b) DECEDENTS TO WHOM SECTION APPLIES.—
 10 This section shall apply to a decedent if—

11 “(1) as of the date of the decedent’s death—

12 “(A) both the decedent and the surviving
 13 spouse of the decedent were not citizens of the
 14 United States and not lawful permanent resi-
 15 dents of the United States, and

16 “(B) either the decedent or the surviving
 17 spouse of the decedent was a qualified inter-
 18 national organization employee, and

19 “(2) the executor of the decedent’s estate
 20 waives the benefits of section 2056(d)(2).

21 “(c) APPLICABLE MARITAL TRANSFER CREDIT.—

22 “(1) ESTATES TAXABLE UNDER SECTION
 23 2001.—

24 “(A) IN GENERAL.—If the estate of the
 25 decedent is taxable under section 2001, the ap-

1 applicable marital transfer credit is the excess
2 of—

3 “(i) a tentative tax computed under
4 section 2001(c) on the sum of the marital
5 transfer amount plus the applicable exclu-
6 sion amount, over

7 “(ii) a tentative tax computed under
8 section 2001(c) on the applicable exclusion
9 amount.

10 If the amount of the adjusted taxable gifts of
11 the decedent exceeds the applicable exclusion
12 amount, the amount of such gifts shall be sub-
13 stituted for the applicable exclusion amount in
14 clauses (i) and (ii).

15 “(B) LIMITATION ON MARITAL TRANSFER
16 AMOUNT.—The amount of the marital transfer
17 amount taken into account under subparagraph
18 (A) shall not exceed the lesser of—

19 “(i) the applicable exclusion amount,
20 or

21 “(ii) the excess of the sum referred to
22 in section 2001(b)(1) over the applicable
23 exclusion amount.

24 “(2) ESTATES TAXABLE UNDER SECTION
25 2101.—If the estate of the decedent is taxable under

1 section 2101, the applicable marital transfer credit
2 shall be determined under the principles of para-
3 graph (1) with the following modifications—

4 “(A) the amount set forth in subparagraph
5 (B)(i) shall be reduced by the deduction equiva-
6 lent of the section 2102 unified credit, and

7 “(B) the deduction equivalent of the sec-
8 tion 2102 unified credit shall be substituted for
9 the applicable exclusion amount each place it
10 appears in paragraph (1) other than subpara-
11 graph (B)(i).

12 “(d) SPOUSE BECOMES CITIZEN.—This section shall
13 not apply in any case in which paragraph (1) of section
14 2056(d) does not apply by reason of paragraph (4) of such
15 section.

16 “(e) OTHER DEFINITIONS.—For purposes of this
17 section—

18 “(1) QUALIFIED INTERNATIONAL ORGANIZA-
19 TION EMPLOYEE.—The term ‘qualified international
20 organization employee’ means any full-time employee
21 of an international organization whose principal
22 place of employment with such organization is in the
23 United States.

24 “(2) MARITAL TRANSFER AMOUNT.—The term
25 ‘marital transfer amount’ means the amount which

1 would have been allowable as a deduction under sec-
 2 tion 2056 or 2106(a)(3) (whichever is applicable) if
 3 section 2056 were applied without regard to sub-
 4 section (d) thereof.

5 “(3) APPLICABLE EXCLUSION AMOUNT.—The
 6 term ‘applicable exclusion amount’ means the appli-
 7 cable exclusion amount under section 2010(c) for
 8 the calendar year which includes the date of the de-
 9 cedent’s death.

10 “(4) ADJUSTED TAXABLE GIFTS.—The term
 11 ‘adjusted taxable gifts’ has the same meaning as
 12 when used in section 2001 or 2101, whichever is ap-
 13 plicable.

14 “(5) DEDUCTION EQUIVALENT OF SECTION 2102
 15 UNIFIED CREDIT.—The term ‘deduction equivalent
 16 of the section 2102 unified credit’ means, with re-
 17 spect to any estate taxable under section 2101, the
 18 amount on which the tentative tax determined under
 19 section 2001(c) would equal the unified credit al-
 20 lowed under section 2102(c).”

21 (b) CLERICAL AMENDMENT.—The table of sections
 22 for subchapter C of chapter 11 of such Code is amended
 23 by adding at the end the following new item:

“Sec. 2210. Credit equivalent to limited marital deduction in case
 of certain employees of international organiza-
 tions.”

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

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