

106TH CONGRESS
1ST SESSION

H. R. 43

To amend the Internal Revenue Code of 1986 to accelerate the phasein
of the \$1,000,000 exclusion from the estate and gift taxes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. STUMP 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 accelerate
the phasein of the \$1,000,000 exclusion from the estate
and gift 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. INCREASE IN UNIFIED ESTATE AND GIFT TAX**

4 **CREDIT.**

5 (a) ESTATE TAX CREDIT.—

6 (1) Subsection (a) of section 2010 of the Inter-
7 nal Revenue Code of 1986 (relating to unified credit
8 against estate tax) is amended by striking “the ap-
9 plicable credit amount” and inserting “\$345,800”.

1 (2) Paragraph (2) of section 2001(c) of such
 2 Code is amended by striking “\$10,000,000” and all
 3 that follows and inserting “\$10,000,000. The
 4 amount of the increase under the preceding sentence
 5 shall not exceed \$705,000.”

6 (3)(A) Subparagraph (A) of section 2057(a)(3)
 7 of such Code is amended by striking “the applicable
 8 exclusion amount under section 2010 shall be
 9 \$625,000” and inserting “the credit under section
 10 2010 shall be \$202,050”.

11 (B) Subparagraph (B) of section 2057(a)(3) of
 12 such Code is amended to read as follows:

13 “(B) INCREASE IN UNIFIED CREDIT IF DE-
 14 DUCTION IS LESS THAN \$675,000.—If the deduc-
 15 tion allowed by this section is less than
 16 \$675,000, the amount of the credit under sec-
 17 tion 2010 shall be equal to the lesser of
 18 \$345,800 or the tentative tax which would be
 19 determined under the rate schedule set forth in
 20 section 2001(c) if the amount with respect to
 21 which such tentative tax is computed were equal
 22 to the sum of—

23 “(i) the excess of \$675,000 over the
 24 amount of the deduction allowed, and

25 “(ii) \$625,000.”

1 (4) Subparagraph (A) of section 2102(c)(3) of
2 such Code is amended by striking “the applicable
3 credit amount in effect under section 2010(c) for the
4 calendar year which includes the date of death” and
5 inserting “\$345,800”.

6 (5) Paragraph (1) of section 6018(a) of such
7 Code is amended by striking “the applicable exclu-
8 sion amount in effect under section 2010(c) for the
9 calendar year which includes the date of death” and
10 inserting “\$1,000,000”.

11 (6)(A) Subparagraph (A) of section 6601(j)(2)
12 of such Code is amended to read as follows:

13 “(A) \$345,800, or”.

14 (B) Paragraph (3) of section 6601(j) of such
15 Code is amended—

16 (i) by striking “\$1,000,000” each place it
17 occurs and inserting “\$345,800”, and

18 (ii) by striking “\$10,000” each place it ap-
19 pears and inserting “\$1,000”.

20 (b) UNIFIED GIFT TAX CREDIT.—Paragraph (1) of
21 section 2505(a) of such Code is amended to read as fol-
22 lows:

23 “(1) \$345,800, reduced by”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to the estates of decedents dying,
3 and gifts made, after December 31, 1999.

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