

106TH CONGRESS  
1ST SESSION

# S. 75

To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To repeal the Federal estate and gift taxes and the tax  
on generation-skipping transfers.

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 “Estate and Gift Tax  
5 Repeal Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The economy of the United States cannot  
9 achieve strong, sustained growth without adequate  
10 levels of savings to fuel productive activity. Inad-

1       equate savings have been shown to lead to lower pro-  
2       ductivity, stagnating wages, and reduced standards  
3       of living.

4           (2) Savings levels in the United States have  
5       steadily declined over the past 25 years, and have  
6       lagged behind the industrialized trading partners of  
7       the United States.

8           (3) These anemic savings levels have contrib-  
9       uted to the country's long-term downward trend in  
10      real economic growth, which averaged close to 3.5  
11      percent over the last 100 years but has slowed to 2.4  
12      percent over the past quarter century.

13          (4) Congress should work toward reforming the  
14      entire Federal tax code to end its bias against sav-  
15      ings and eliminate double taxation.

16          (5) Repealing the estate and gift tax would con-  
17      tribute to the goals of expanding savings and invest-  
18      ment, boosting entrepreneurial activity, and expand-  
19      ing economic growth. The estate tax is harmful to  
20      the economy because of its high marginal rates and  
21      its multiple taxation of income.

22          (6) Abolishing the estate tax would restore a  
23      measure of fairness to the Federal tax system. Fam-  
24      ilies should be able to pass on the fruits of labor to

1 the next generation without realizing a taxable  
2 event.

3 (7) Abolishing the estate tax would benefit the  
4 preservation of family farms. Nearly 95 percent of  
5 farms and ranches are owned by sole proprietors or  
6 family partnerships, subjecting most of this property  
7 to estate taxes upon the death of the owner. Due to  
8 the capital intensive nature of farming and its low  
9 return on investment, farmers are 15 times more  
10 likely to be subject to estate taxes than other Ameri-  
11 cans.

12 **SEC. 3. REPEAL OF FEDERAL TRANSFER TAXES.**

13 (a) IN GENERAL.—Subtitle B of the Internal Reve-  
14 nue Code of 1986 is hereby repealed.

15 (b) EFFECTIVE DATE.—The repeal made by sub-  
16 section (a) shall apply to the estates of decedents dying,  
17 and gifts and generation-skipping transfers made, after  
18 the date of enactment of this Act.

19 (c) TECHNICAL AND CONFORMING CHANGES.—The  
20 Secretary of the Treasury or the Secretary's delegate  
21 shall, as soon as practicable but in any event not later  
22 than 90 days after the date of enactment of this Act, sub-  
23 mit to the Committee on Ways and Means of the House  
24 of Representatives and the Committee on Finance of the  
25 Senate a draft of any technical and conforming changes

- 1 in the Internal Revenue Code of 1986 which are necessary
- 2 to reflect throughout such Code the changes in the sub-
- 3 stantive provisions of law made by this Act.

