

107TH CONGRESS  
1ST SESSION

# H. R. 1442

To amend the Internal Revenue Code of 1986 to increase the unified credit against estate and gift taxes to the equivalent of a \$5,000,000 exclusion and to provide an inflation adjustment of such amount.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mr. DEUTSCH introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the unified credit against estate and gift taxes to the equivalent of a \$5,000,000 exclusion and to provide an inflation adjustment of such amount.

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. UNIFIED CREDIT INCREASED TO EQUIVALENT**

4       **OF \$5,000,000 EXCLUSION; INFLATION ADJUST-**

5       **MENT OF UNIFIED CREDIT.**

6       (a) INCREASE IN UNIFIED CREDIT.—

7           (1) IN GENERAL.—Subsection (c) of section

8           2010 of the Internal Revenue Code of 1986 (relating

1 to applicable credit amount) is amended by striking  
2 all that follows “were the applicable exclusion  
3 amount” and inserting “. For purposes of the pre-  
4 ceding sentence, the applicable exclusion amount is  
5 \$5,000,000.”

6 (2) CONFORMING AMENDMENT.—Subparagraph  
7 (A) of section 2057(a)(3) of such Code is amended  
8 by striking “\$625,000” and inserting “the excess of  
9 the applicable exclusion amount (determined without  
10 regard to this paragraph) over \$675,000”.

11 (b) INFLATION ADJUSTMENT.—Section 2010 of such  
12 Code is amended by redesignating subsection (d) as sub-  
13 section (e) and by inserting after subsection (c) the fol-  
14 lowing new subsection:

15 “(d) COST-OF-LIVING ADJUSTMENT.—In the case of  
16 any decedent dying, and gift made, in a calendar year  
17 after 2001, the \$5,000,000 amount set forth in subsection  
18 (c) shall be increased by an amount equal to—

19 “(1) \$5,000,000, multiplied by  
20 “(2) the cost-of-living adjustment determined  
21 under section 1(f)(3) for such calendar year by sub-  
22 stituting ‘calendar year 2000’ for ‘calendar year  
23 1992’ in subparagraph (B) thereof.

1 If any amount as adjusted under the preceding sentence  
2 is not a multiple of \$10,000, such amount shall be round-  
3 ed to the nearest multiple of \$10,000.”

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to estates of decedents dying, and  
6 gifts made, after the date of the enactment of this Act.

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