

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.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mr. DEUTSCH 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 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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