

108TH CONGRESS
1ST SESSION

H. R. 51

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

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

A BILL

To repeal the Federal death tax, including the 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 “Family Heritage Pres-
5 ervation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

8 (1) Hard working American men and women
9 spend a lifetime saving to provide for their children
10 and grandchildren, paying taxes all the while.

1 Throughout their lives, they pay taxes on the income
2 and gains from their labor and their investment. Be-
3 cause of the heavy burden of income taxes, property
4 taxes, and other levies, it is enormously difficult to
5 accumulate savings for a family's future. Worst of
6 all, when the purpose of that hard earned saving is
7 about to be achieved, families discover that between
8 37 percent and 55 percent of their after-tax savings
9 are confiscated by Federal death taxes.

10 (2) These transfer, estate, and gift taxes punish
11 lifelong habits of thrift; they discourage entrepre-
12 neurship; they penalize families; and they have a
13 negative effect on other tax revenue sources.

14 (3) These taxes raise almost no material rev-
15 enue for the Federal Government. In fiscal year
16 2002, they produced about 1 percent of total Fed-
17 eral revenues.

18 (4) The waste and economic inefficiency caused
19 by death taxes is well known. American families em-
20 ploy legions of tax accountants and lawyers each
21 year to set up trusts and other prolix devices de-
22 signed to avoid these onerous levies. The make-work
23 imposed upon the economy comprises billions of dol-
24 lars.

1 (5) To pay these excessive taxes, many small
2 businesses must liquidate all or part of their assets.
3 By causing business closures, these taxes constrict
4 business activity, increase unemployment, and re-
5 duce tax revenues to the Federal Government.

6 (6) Independent analyses indicate that, were
7 these onerous taxes repealed, the Nation's gross do-
8 mestic product, Federal and State tax revenues, em-
9 ployment base, and capital formation would increase
10 substantially. According to a recent study by the
11 Joint Economic Committee, these taxes have re-
12 duced the stock of capital in the United States by
13 \$497,000,000,000, reduced annual Federal income
14 tax receipts by \$20,000,000,000, caused family busi-
15 nesses to divert resources from investment, and en-
16 couraged the development of environmentally sen-
17 sitive land.

18 (7) Repealing these taxes will ensure economic
19 fairness for all American families and businesses
20 and economic growth and prosperity for the Nation
21 as a whole.

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

23 (a) GENERAL RULE.—Subtitle B of the Internal Rev-
24 enue Code of 1986 (relating to estate, gift, and genera-
25 tion-skipping taxes) is hereby repealed.

1 (b) EFFECTIVE DATE.—The repeal made by sub-
2 section (a) shall apply to the estates of decedents dying,
3 and gifts and generation-skipping transfers made, after
4 December 31, 2002.

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