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111TH CONGRESS
1ST SESSION

H. R. 1986

To amend the Internal Revenue Code of 1986 and the Economic Growth and Tax Relief Reconciliation Act of 2001 to restore the estate tax, increase the estate tax unified credit to an exclusion equivalent of $4,000,000, reduce the maximum estate tax rate to 40 percent, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2009

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

A BILL

To amend the Internal Revenue Code of 1986 and the Economic Growth and Tax Relief Reconciliation Act of 2001 to restore the estate tax, increase the estate tax unified credit to an exclusion equivalent of $4,000,000, reduce the maximum estate tax rate to 40 percent, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTORATION AND MODIFICATION OF ESTATE TAX.

(a) RESTORATION OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.—

(1) IN GENERAL.—The following provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, and the amendments made by such provisions, are hereby repealed:

(A) Subtitles A and E of title V.

(B) Subsections (d) and (e) of section 511.

(C) Paragraph (2) of section 521(b).

The Internal Revenue Code of 1986 shall be applied and administered as if the provisions and amendments described in the preceding sentence had never been enacted.

(2) SUNSET NOT TO APPLY.—

(A) Subsection (a) of section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''this Act'' and all that follows and inserting ''this Act (other than title V) shall not apply to taxable, plan, or limitation years beginning after December 31, 2010.''.

(B) Subsection (b) of such section 901 is amended by striking '', estates, gifts, and transfers''.

(b) INCREASE IN UNIFIED CREDIT AGAINST THE ESTATE TAX.—Subsection (c) of section 2010 of the Internal Revenue Code of 1986 is amended by striking all that follows ‘‘the applicable exclusion amount’’ and inserting ‘‘. For purposes of the preceding sentence, the applicable exclusion amount is $4,000,000.’’.

(c) DECREASE IN MAXIMUM RATE OF TAX.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) of such Code is amended by striking the last 5 rows and inserting the following:

‘‘Over $1,000,000	$345,800, plus 40 percent of the excess of such amount over $1,000,000.’’.

(2) CONFORMING AMENDMENTS.—Subsection (c) of section 2001 of such Code is amended—

(A) by striking paragraph (2), and

(B) by striking all that precedes the table contained therein and inserting the following:

‘‘(c) RATE SCHEDULE.—The tentative tax shall be determined in accordance with the following table:’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

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