

114TH CONGRESS
1ST SESSION

H. R. 1105

IN THE SENATE OF THE UNITED STATES

APRIL 20, 2015

Received

AN ACT

To amend the Internal Revenue Code of 1986 to repeal the estate and generation-skipping transfer taxes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Death Tax Repeal Act
3 of 2015”.

4 **SEC. 2. REPEAL OF ESTATE AND GENERATION-SKIPPING**
5 **TRANSFER TAXES.**

6 (a) ESTATE TAX REPEAL.—Subchapter C of chapter
7 11 of subtitle B of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new section:

9 **“SEC. 2210. TERMINATION.**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (b), this chapter shall not apply to the estates of decedents
12 dying on or after the date of the enactment of the Death
13 Tax Repeal Act of 2015.

14 “(b) CERTAIN DISTRIBUTIONS FROM QUALIFIED
15 DOMESTIC TRUSTS.—In applying section 2056A with re-
16 spect to the surviving spouse of a decedent dying before
17 the date of the enactment of the Death Tax Repeal Act
18 of 2015—

19 “(1) section 2056A(b)(1)(A) shall not apply to
20 distributions made after the 10-year period begin-
21 ning on such date, and

22 “(2) section 2056A(b)(1)(B) shall not apply on
23 or after such date.”.

24 (b) GENERATION-SKIPPING TRANSFER TAX RE-
25 PEAL.—Subchapter G of chapter 13 of subtitle B of such

1 Code is amended by adding at the end the following new
2 section:

3 **“SEC. 2664. TERMINATION.**

4 “This chapter shall not apply to generation-skipping
5 transfers on or after the date of the enactment of the
6 Death Tax Repeal Act of 2015.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) The table of sections for subchapter C of
9 chapter 11 of the Internal Revenue Code of 1986 is
10 amended by adding at the end the following new
11 item:

“Sec. 2210. Termination.”.

12 (2) The table of sections for subchapter G of
13 chapter 13 of such Code is amended by adding at
14 the end the following new item:

“Sec. 2664. Termination.”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to the estates of decedents dying,
17 and generation-skipping transfers, on or after the date of
18 the enactment of this Act.

19 **SEC. 3. MODIFICATIONS OF GIFT TAX.**

20 (a) COMPUTATION OF GIFT TAX.—Subsection (a) of
21 section 2502 of the Internal Revenue Code of 1986 is
22 amended to read as follows:

23 “(a) COMPUTATION OF TAX.—

1 “(1) IN GENERAL.—The tax imposed by section
2 2501 for each calendar year shall be an amount
3 equal to the excess of—

4 “(A) a tentative tax, computed under para-
5 graph (2), on the aggregate sum of the taxable
6 gifts for such calendar year and for each of the
7 preceding calendar periods, over

8 “(B) a tentative tax, computed under para-
9 graph (2), on the aggregate sum of the taxable
10 gifts for each of the preceding calendar periods.

11 “(2) RATE SCHEDULE.—

“If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over \$10,000	18% of such amount.
Over \$10,000 but not over \$20,000	\$1,800, plus 20% of the excess over \$10,000.
Over \$20,000 but not over \$40,000	\$3,800, plus 22% of the excess over \$20,000.
Over \$40,000 but not over \$60,000	\$8,200, plus 24% of the excess over \$40,000.
Over \$60,000 but not over \$80,000	\$13,000, plus 26% of the excess over \$60,000.
Over \$80,000 but not over \$100,000	\$18,200, plus 28% of the excess over \$80,000.
Over \$100,000 but not over \$150,000	\$23,800, plus 30% of the excess over \$100,000.
Over \$150,000 but not over \$250,000	\$38,800, plus 32% of the excess of \$150,000.
Over \$250,000 but not over \$500,000	\$70,800, plus 34% of the excess over \$250,000.
Over \$500,000	\$155,800, plus 35% of the excess of \$500,000.”.

1 (b) TREATMENT OF CERTAIN TRANSFERS IN
2 TRUST.—Section 2511 of the Internal Revenue Code of
3 1986 is amended by adding at the end the following new
4 subsection:

5 “(c) TREATMENT OF CERTAIN TRANSFERS IN
6 TRUST.—Notwithstanding any other provision of this sec-
7 tion and except as provided in regulations, a transfer in
8 trust shall be treated as a taxable gift under section 2503,
9 unless the trust is treated as wholly owned by the donor
10 or the donor’s spouse under subpart E of part I of sub-
11 chapter J of chapter 1.”.

12 (c) LIFETIME GIFT EXEMPTION.—

13 (1) IN GENERAL.—Paragraph (1) of section
14 2505(a) of the Internal Revenue Code of 1986 is
15 amended to read as follows:

16 “(1) the amount of the tentative tax which
17 would be determined under the rate schedule set
18 forth in section 2502(a)(2) if the amount with re-
19 spect to which such tentative tax is to be computed
20 were \$5,000,000, reduced by”.

21 (2) INFLATION ADJUSTMENT.—Section 2505 of
22 such Code is amended by adding at the end the fol-
23 lowing new subsection:

24 “(d) INFLATION ADJUSTMENT.—

1 “(1) IN GENERAL.—In the case of any calendar
2 year after 2011, the dollar amount in subsection
3 (a)(1) shall be increased by an amount equal to—

4 “(A) such dollar amount, multiplied by

5 “(B) the cost-of-living adjustment deter-
6 mined under section 1(f)(3) for such calendar
7 year by substituting ‘calendar year 2010’ for
8 ‘calendar year 1992’ in subparagraph (B)
9 thereof.

10 “(2) ROUNDING.—If any amount as adjusted
11 under paragraph (1) is not a multiple of \$10,000,
12 such amount shall be rounded to the nearest mul-
13 tiple of \$10,000.”.

14 (d) CONFORMING AMENDMENTS.—

15 (1) The heading for section 2505 of such Code
16 is amended by striking “**UNIFIED**”.

17 (2) The item in the table of sections for sub-
18 chapter A of chapter 12 of such Code relating to
19 section 2505 is amended to read as follows:

“Sec. 2505. Credit against gift tax.”.

20 (3) Section 2801(a)(1) of such Code is amended
21 by striking “section 2001(c) as in effect on the date
22 of such receipt” and inserting “section 2502(a)(2)”.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to gifts made on or after the date
25 of the enactment of this Act.

1 (f) TRANSITION RULE.—

2 (1) IN GENERAL.—For purposes of applying
3 sections 1015(d), 2502, and 2505 of the Internal
4 Revenue Code of 1986, the calendar year in which
5 this Act is enacted shall be treated as 2 separate cal-
6 endar years one of which ends on the day before the
7 date of the enactment of this Act and the other of
8 which begins on such date of enactment.

9 (2) APPLICATION OF SECTION 2504(b).—For
10 purposes of applying section 2504(b) of the Internal
11 Revenue Code of 1986, the calendar year in which
12 this Act is enacted shall be treated as one preceding
13 calendar period.

14 **SEC. 4. BUDGETARY EFFECTS.**

15 The budgetary effects of this Act shall not be entered
16 on either PAYGO scorecard maintained pursuant to sec-
17 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

Passed the House of Representatives April 16, 2015.

Attest:

KAREN L. HAAS,

Clerk.