

115TH CONGRESS
1ST SESSION

H. R. 631

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2017

Mrs. NOEM (for herself, Mr. BISHOP of Georgia, Mr. NUNES, Mr. SMITH of Missouri, Ms. JENKINS of Kansas, Mr. DAVIDSON, and Mr. SMITH of Nebraska) 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 repeal the estate and generation-skipping transfer taxes.

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 “Death Tax Repeal Act
5 of 2017”.

6 **SEC. 2. REPEAL OF ESTATE AND GENERATION-SKIPPING**
7 **TRANSFER TAXES.**

8 (a) ESTATE TAX REPEAL.—

1 (1) IN GENERAL.—Subchapter C of chapter 11
 2 of subtitle B of the Internal Revenue Code of 1986
 3 is amended by adding at the end the following new
 4 section:

5 **“SEC. 2210. TERMINATION.**

6 “(a) IN GENERAL.—Except as provided in subsection
 7 (b), this chapter shall not apply to the estates of decedents
 8 dying on or after the date of the enactment of the Death
 9 Tax Repeal Act of 2017.

10 “(b) CERTAIN DISTRIBUTIONS FROM QUALIFIED
 11 DOMESTIC TRUSTS.—In applying section 2056A with re-
 12 spect to the surviving spouse of a decedent dying before
 13 the date of the enactment of the Death Tax Repeal Act
 14 of 2017—

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

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

20 (2) CLERICAL AMENDMENT.—The table of sec-
 21 tions for subchapter C of chapter 11 of the Internal
 22 Revenue Code of 1986 is amended by adding at the
 23 end the following new item:

“Sec. 2210. Termination.”.

24 (b) GENERATION-SKIPPING TRANSFER TAX RE-
 25 PEAL.—

1 (1) IN GENERAL.—Subchapter G of chapter 13
 2 of subtitle B of such Code is amended by adding at
 3 the end the following new section:

4 **“SEC. 2664. TERMINATION.**

5 “‘This chapter shall not apply to generation-skipping
 6 transfers on or after the date of the enactment of the
 7 Death Tax Repeal Act of 2017.’”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
 9 tions for subchapter G of chapter 13 of such Code
 10 is amended by adding at the end the following new
 11 item:

“Sec. 2664. Termination.”.

12 (c) CONFORMING AMENDMENTS RELATED TO GIFT
 13 TAX.—

14 (1) COMPUTATION OF GIFT TAX.—Subsection
 15 (a) of section 2502 of the Internal Revenue Code of
 16 1986 is amended to read as follows:

17 “(a) COMPUTATION OF TAX.—

18 “(1) IN GENERAL.—The tax imposed by section
 19 2501 for each calendar year shall be an amount
 20 equal to the excess of—

21 “(A) a tentative tax, computed under para-
 22 graph (2), on the aggregate sum of the taxable
 23 gifts for such calendar year and for each of the
 24 preceding calendar periods, over

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

4 “(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.”.

5 (2) LIFETIME GIFT EXEMPTION.—

6 (A) IN GENERAL.—Paragraph (1) of sec-
 7 tion 2505(a) of the Internal Revenue Code of
 8 1986 is amended to read as follows:

9 “(1) the amount of the tentative tax which
 10 would be determined under the rate schedule set
 11 forth in section 2502(a)(2) if the amount with re-

spect to which such tentative tax is to be computed were \$5,000,000, reduced by”.

(B) INFLATION ADJUSTMENT.—Section

2505 of such Code is amended by adding at the end the following new subsection:

“(d) INFLATION ADJUSTMENT.—

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

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2010’ for ‘calendar year 1992’ in subparagraph (B) thereof.

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

(3) OTHER CONFORMING AMENDMENTS RELATED TO GIFT TAX.—

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

(B) The item in the table of sections for subchapter A of chapter 12 of such Code relat-

1 ing to section 2505 is amended to read as fol-
2 lows:

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

3 (C) Section 2801(a)(1) of such Code is
4 amended by striking “section 2001(c) as in ef-
5 fect on the date of such receipt” and inserting
6 “section 2502(a)(2)”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to estates of decedents dying, gen-
9 eration-skipping transfers, and gifts made, on or after the
10 date of the enactment of this Act.

11 (e) TRANSITION RULE.—

12 (1) IN GENERAL.—For purposes of applying
13 sections 1015(d), 2502, and 2505 of the Internal
14 Revenue Code of 1986, the calendar year in which
15 this Act is enacted shall be treated as two separate
16 calendar years one of which ends on the day before
17 the date of the enactment of this Act and the other
18 of which begins on such date of enactment.

19 (2) APPLICATION OF SECTION 2504(b).—For
20 purposes of applying section 2504(b) of the Internal
21 Revenue Code of 1986, the calendar year in which
22 this Act is enacted shall be treated as one preceding
23 calendar period.

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