

111TH CONGRESS
1ST SESSION

H. R. 3841

To amend the Internal Revenue Code of 1986 to repeal carryover basis for decedents dying in 2009, to increase the estate tax exemption to \$5,000,000, and to reduce the maximum estate and gift tax rate to 45 percent.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2009

Mr. SCHRADER 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 carryover basis for decedents dying in 2009, to increase the estate tax exemption to \$5,000,000, and to reduce the maximum estate and gift tax rate to 45 percent.

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 “Small Business and
5 Family Farm Estate Tax Relief Act of 2009”.

1 **SEC. 2. RETENTION OF ESTATE TAX; REPEAL OF CARRY-**
2 **OVER BASIS.**

3 (a) **IN GENERAL.**—Subtitles A and E of title V of
4 the Economic Growth and Tax Relief Reconciliation Act
5 of 2001, and the amendments made by such subtitles, are
6 hereby repealed; and the Internal Revenue Code of 1986
7 shall be applied as if such subtitles, and amendments, had
8 never been enacted.

9 (b) **SUNSET NOT TO APPLY.**—Section 901 of the
10 Economic Growth and Tax Relief Reconciliation Act of
11 2001 shall not apply to title V of such Act.

12 (c) **CONFORMING AMENDMENTS.**—Subsections (d)
13 and (e) of section 511 of the Economic Growth and Tax
14 Relief Reconciliation Act of 2001, and the amendments
15 made by such subsections, are hereby repealed; and the
16 Internal Revenue Code of 1986 shall be applied as if such
17 subsections, and amendments, had never been enacted.

18 **SEC. 3. MODIFICATIONS TO ESTATE AND GIFT TAX.**

19 (a) **\$5,000,000 APPLICABLE EXCLUSION AMOUNT.**—
20 Subsection (c) of section 2010 of the Internal Revenue
21 Code of 1986 (relating to applicable credit amount) is
22 amended by striking all that follows “the applicable exclu-
23 sion amount” and inserting “. For purposes of the pre-
24 ceding sentence, the applicable exclusion amount is
25 \$5,000,000.”.

1 (b) FREEZE MAXIMUM ESTATE AND GIFT TAX
2 RATES AT 45 PERCENT.—Paragraph (1) of section
3 2001(c) of such Code is amended by striking the last 3
4 items in the table and inserting the following new item:

“Over \$1,500,000 \$555,800, plus 45 percent of the ex-
cess of such amount over
\$1,500,000.”.

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

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