

115TH CONGRESS  
2D SESSION

# H. R. 5422

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2018

Mr. SMITH of Missouri (for himself, Mr. BISHOP of Georgia, and Mrs. NOEM) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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  
5 Act”.

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

8 (a) ESTATE TAX REPEAL.—

9 (1) IN GENERAL.—Subchapter C of chapter 11  
10 of subtitle B of the Internal Revenue Code of 1986

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

3 **“SEC. 2210. TERMINATION.**

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

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

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

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

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

“Sec. 2210. Termination.”.

21 (b) GENERATION-SKIPPING TRANSFER TAX RE-  
22 PEAL.—

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

1 **“SEC. 2664. TERMINATION.**

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

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

“Sec. 2664. Termination.”.

9 (c) CONFORMING AMENDMENTS RELATED TO GIFT  
10 TAX.—

11 (1) COMPUTATION OF GIFT TAX.—Subsection  
12 (a) of section 2502 of the Internal Revenue Code of  
13 1986 is amended to read as follows:

14 “(a) COMPUTATION OF TAX.—

15 “(1) IN GENERAL.—The tax imposed by section  
16 2501 for each calendar year shall be an amount  
17 equal to the excess of—

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

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

25 “(2) RATE SCHEDULE.—

**“If the amount with respect to which the tentative tax to be computed is:**

<b>“If the amount with respect to which the tentative tax to be computed is:</b>	<b>The tentative tax is:</b>
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                   (2) LIFETIME GIFT EXEMPTION.—

2                   (A) IN GENERAL.—Paragraph (1) of sec-  
3                   tion 2505(a) of the Internal Revenue Code of  
4                   1986 is amended to read as follows:

5                   “(1) the amount of the tentative tax which  
6                   would be determined under the rate schedule set  
7                   forth in section 2502(a)(2) if the amount with re-  
8                   spect to which such tentative tax is to be computed  
9                   were \$10,000,000, reduced by”.

10                   (B) INFLATION ADJUSTMENT.—Section  
11                   2505 of such Code is amended by adding at the  
12                   end the following new subsection:

13                   “(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 2016’ 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           (3) OTHER CONFORMING AMENDMENTS RE-  
15 LATED TO GIFT TAX.—

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

18                   (B) The item in the table of sections for  
19 subchapter A of chapter 12 of such Code relat-  
20 ing to section 2505 is amended to read as fol-  
21 lows:

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

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

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

5       (e) TRANSITION RULE.—

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

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

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