

117TH CONGRESS
1ST SESSION

H. R. 3178

To amend the Internal Revenue Code of 1986 to reduce the rate of tax on estates, gifts, and generation-skipping transfers.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2021

Mr. ARRINGTON (for himself, Mr. CUELLAR, and Mr. FLEISCHMANN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to reduce the rate of tax on estates, gifts, and generation-skipping transfers.

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 “Estate Tax Rate Re-
5 duction Act”.

1 **SEC. 2. REDUCTION OF RATE OF TAX ON ESTATES, GIFTS,**
2 **AND GENERATION-SKIPPING TRANSFERS.**

3 (a) IN GENERAL.—Section 2001 of the Internal Rev-
4 enue Code of 1986 is amended—

5 (1) by striking subsection (c) and inserting the
6 following:

7 “(c) RATE OF TAX.—For purposes of determining
8 the tentative tax, the rate of tax shall be 20 percent of
9 the amount with respect to which the tentative tax is com-
10 puted.”; and

11 (2) in subsection (g)(1), by striking “rates of
12 tax under subsection (c)” and inserting “rate of tax
13 under subsection (c)”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 2056A(b)(2) of the Internal Rev-
16 enue Code of 1986 is amended—

17 (A) in subparagraph (B)(i), by striking
18 “highest”; and

19 (B) in subparagraph (C), by striking
20 “highest”.

21 (2) Section 2107(a) of such Code is amended
22 by striking “the table contained in” and inserting
23 “the rate of tax under”.

24 (3) Section 2201(a) of such Code is amended
25 by striking “the rate schedule set forth in section

1 2001(c)” and inserting “the rate of tax under sec-
2 tion 2001(c)”.

3 (4) Section 2641 of such Code is amended to
4 read as follows:

5 **“SEC. 2641. APPLICABLE RATE.**

6 “For purposes of this chapter, the term ‘applicable
7 rate’ means, with respect to any generation-skipping
8 transfer, the product of—

9 “(1) the rate imposed by section 2001 on the
10 estates of decedents dying at the time of the taxable
11 distribution, taxable termination, or direct skip, as
12 the case may be, and

13 “(2) the inclusion ratio with respect to the
14 transfer.”.

15 (5) Section 2801(a)(1) of such Code is amended
16 by striking “the highest rate of tax specified in the
17 table contained in” and inserting “the rate of tax
18 under”.

19 (6) Section 6601(j)(2)(A)(i) of such Code is
20 amended by striking “the rate schedule set forth
21 in”.

22 (c) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply to estates of decedents dying, gen-
24 eration-skipping transfers, and gifts made, after Decem-
25 ber 31, 2020.

1 (d) BUDGETARY EFFECTS.—

2 (1) PAYGO SCORECARD.—The budgetary ef-
3 fects of this section shall not be entered on either
4 PAYGO scorecard maintained pursuant to section
5 4(d) of the Statutory Pay-As-You-Go Act of 2010 (2
6 U.S.C. 933(d)).

7 (2) SENATE PAYGO SCORECARD.—The budg-
8 etary effects of this section shall not be entered on
9 any PAYGO scorecard maintained for purposes of
10 section 4106 of H. Con. Res. 71 (115th Congress),
11 the concurrent resolution on the budget for fiscal
12 year 2018.

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