

Union Calendar No. 33

114TH CONGRESS
1ST SESSION

H. R. 1105

[Report No. 114-52]

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2015

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

APRIL 6, 2015

Additional sponsors: Mr. McCAUL, Mr. WESTMORELAND, Mr. MULLIN, Mr. JONES, Mr. LAMALFA, Mr. DENHAM, Mr. YOUNG of Alaska, Mrs. BLACK, Mr. YOUNG of Indiana, Mr. HULTGREN, Mr. STEWART, Mr. HARPER, Mr. BLUM, Mr. PAULSEN, Mr. CRAMER, Mr. MASSIE, Mr. MEEHAN, Mr. COOK, Mr. SCHOCK, Mr. BUCK, Mr. ZINKE, Mr. MARCHANT, Mrs. COMSTOCK, Mr. DUFFY, Mr. GOSAR, Mr. MESSER, Mr. HOLDING, Mr. SAM JOHNSON of Texas, Mr. TIPTON, Mrs. LUMMIS, Mr. RIBBLE, Ms. JENKINS of Kansas, Mr. COLLINS of New York, Mr. SMITH of Missouri, Mr. WALBERG, Mr. CONAWAY, Mrs. BLACKBURN, Mr. WILLIAMS, Mr. WEBER of Texas, Mr. OLSON, Mr. VALADAO, Mr. COLLINS of Georgia, Mr. REICHERT, Mr. ROE of Tennessee, Mr. FARENTHOLD, Mr. RODNEY DAVIS of Illinois, Mr. ROGERS of Alabama, Mr. GRAVES of Missouri, Mr. CRAWFORD, Mr. DESANTIS, Mr. KINZINGER of Illinois, Mr. BYRNE, Mr. REED, Mr. LATTA, Mr. SMITH of Nebraska, Mr. ROSS, Mr. DUNCAN of Tennessee, Mr. ADERHOLT, Mr. KING of Iowa, Mrs. WAGNER, Mr. BOST, Mr. SHIMKUS, Mr. GROTHMAN, Mr. NEUGEBAUER, Mr. KELLY of Pennsylvania, Mr. LAMBORN, Mr. CULBERSON, Mr. CHABOT, Mr. GUINTA, Mr. CRENSHAW, Mr. YOUNG of Iowa, Mr. BROOKS of Alabama, Mr. ROTHFUS, Mr. JOLLY, Mr. CARTER of Georgia, Mr. THORNBERRY, Mr. GIBBS, Mr. GUTHRIE, Mr. HENSARLING, Mr. TROTT, Mr. BUCHANAN, Mr. HILL, Mr. COSTELLO of Pennsylvania, Mr. PERRY, Mr. HURT of Virginia, Mr. BARR, Mr. PEARCE, Mr. GOWDY, Mr. BOUSTANY, Mr. LONG, Mr. WENSTRUP, Mr. YODER, Mr. POE of Texas, Mr. MEAD-

OWS, Mr. HURD of Texas, Mr. RENACCI, Mr. LANCE, Mr. CALVERT, Mr. FLORES, Mr. THOMPSON of Pennsylvania, Mr. KLINE, Mr. SCHWEIKERT, Mr. GOODLATTE, Mr. HUDSON, Mr. BARLETTA, Mr. POLIQUIN, Mr. HUIZENGA of Michigan, Mr. FRELINGHUYSEN, Mr. MCCLINTOCK, Mr. HUELSKAMP, Mr. EMMER of Minnesota, Mr. WEBSTER of Florida, Mr. BISHOP of Utah, Mr. SMITH of New Jersey, Mr. NUGENT, Mr. ALLEN, Mr. HARDY, Mr. NEWHOUSE, Mr. FRANKS of Arizona, Mr. JODY B. HICE of Georgia, Mr. POMPEO, Ms. STEFANIK, Mr. BENISHEK, Mr. CURBELO of Florida, Mr. ABRAHAM, Mr. COFFMAN, Mr. STIVERS, Mr. WILSON of South Carolina, Mrs. ROBY, Mr. AUSTIN SCOTT of Georgia, Mr. DOLD, and Mr. WOMACK

APRIL 6, 2015

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 26, 2015]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Death Tax Repeal Act*
5 *of 2015”.*

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

8 *(a) ESTATE TAX REPEAL.—Subchapter C of chapter*
9 *11 of subtitle B of the Internal Revenue Code of 1986 is*
10 *amended by adding at the end the following new section:*

11 **“SEC. 2210. TERMINATION.**

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

16 *“(b) CERTAIN DISTRIBUTIONS FROM QUALIFIED DO-*
17 *MESTIC TRUSTS.—In applying section 2056A with respect*
18 *to the surviving spouse of a decedent dying before the date*
19 *of the enactment of the Death Tax Repeal Act of 2015—*

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

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

1 (b) *GENERATION-SKIPPING TRANSFER TAX RE-*
2 *PEAL.*—Subchapter G of chapter 13 of subtitle B of such
3 Code is amended by adding at the end the following new
4 section:

5 **“SEC. 2664. TERMINATION.**

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

9 (c) *CONFORMING AMENDMENTS.*—

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

“Sec. 2210. Termination.”.

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

“Sec. 2664. Termination.”.

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

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

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

24 *“(a) COMPUTATION OF TAX.—*

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

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

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

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

11 **(c) LIFETIME GIFT EXEMPTION.**—

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

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

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

23 **“(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) there-*
9 *of.*

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 multiple*
13 *of \$10,000.”.*

14 “(d) *CONFORMING AMENDMENTS.*—

15 “(1) *The heading for section 2505 of such Code is*
16 *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 sec-*
19 *tion 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 this*
24 *section shall apply to gifts made on or after the date of*
25 *the enactment of this Act.*

1 (f) *TRANSITION RULE.*—

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

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