

AMENDMENT TO H.R. 8

OFFERED BY M _____

At the end of section 2, insert the following:

1 (c) ESTATE, GIFT, AND GENERATION-SKIPPING
2 TRANSFER TAX RELIEF.—

3 (1) MODIFICATIONS TO ESTATE TAX.—

4 (A) EXCLUSION AMOUNT.—Paragraph (3)
5 of section 2010(c) of the Internal Revenue Code
6 of 1986 is amended to read as follows:

7 “(3) BASIC EXCLUSION AMOUNT.—For pur-
8 poses of this section, the basic exclusion amount is
9 \$3,500,000.”.

10 (B) MAXIMUM ESTATE TAX RATE.—The
11 table in subsection (c) of section 2001 of such
12 Code is amended by striking “Over \$500,000”
13 and all that follows and inserting the following:

Over \$500,000 but not over \$750,000.	\$155,800, plus 37 percent of the excess of such amount over \$500,000.
Over \$750,000 but not over \$1,000,000.	\$248,300, plus 39 percent of the excess of such amount over \$750,000.
Over \$1,000,000 but not over \$1,250,000.	\$345,800, plus 41 percent of the excess of such amount over \$1,000,000.
Over \$1,250,000 but not over \$1,500,000.	\$448,300, plus 43 percent of the excess of such amount over \$1,250,000.

Over \$1,500,000 \$555,800, plus 45 percent of the excess of such amount over \$1,500,000.”.

1 (2) MODIFICATIONS OF ESTATE AND GIFT
2 TAXES TO REFLECT DIFFERENCES IN CREDIT RE-
3 SULTING FROM DIFFERENT TAX RATES AND EXCLU-
4 SION AMOUNTS.—

5 (A) CHANGING TAX RATES.—Notwith-
6 standing section 304 of the Tax Relief, Unem-
7 ployment Insurance Reauthorization, and Job
8 Creation Act of 2010, section 901 of the Eco-
9 nomic Growth and Tax Relief Reconciliation
10 Act of 2001 shall not apply to the amendments
11 made by section 302(d) of the Tax Relief, Un-
12 employment Insurance Reauthorization, and
13 Job Creation Act of 2010.

14 (B) DECREASING EXCLUSIONS.—

15 (i) ESTATE TAX ADJUSTMENT.—Sec-
16 tion 2001 of the Internal Revenue Code of
17 1986 is amended by adding at the end the
18 following new subsection:

19 “(h) ADJUSTMENT TO REFLECT CHANGES IN EX-
20 CLUSION AMOUNT.—

21 “(1) IN GENERAL.—If, with respect to any gift
22 to which subsection (b)(2) applies, the applicable ex-
23 clusion amount in effect at the time of the dece-

1 dent's death is less than such amount in effect at
2 the time such gift is made by the decedent, the
3 amount of tax computed under subsection (b) shall
4 be reduced by the amount of tax which would have
5 been payable under chapter 12 at the time of the
6 gift if the applicable exclusion amount in effect at
7 such time had been the applicable exclusion amount
8 in effect at the time of the decedent's death and the
9 modifications described in subsection (g) had been
10 applicable at the time of such gifts.

11 “(2) LIMITATION.—The aggregate amount of
12 gifts made in any calendar year to which the reduc-
13 tion under paragraph (1) applies shall not exceed
14 the excess of—

15 “(A) the applicable exclusion amount in ef-
16 fect for such calendar year, over

17 “(B) the applicable exclusion amount in ef-
18 fect at the time of the decedent's death.

19 “(3) APPLICABLE EXCLUSION AMOUNT.—The
20 term ‘applicable exclusion amount’ means, with re-
21 spect to any period, the amount determined under
22 section 2010(c) for such period, except that in the
23 case of any period for which such amount includes
24 the deceased spousal unused exclusion amount (as
25 defined in section 2010(c)(4)), such term shall mean

1 the basic exclusion amount (as defined under section
2 2010(c)(3), as in effect for such period).”.

3 (ii) GIFT TAX ADJUSTMENT.—Section
4 2502 of such Code is amended by adding
5 at the end the following new subsection:

6 “(d) ADJUSTMENT TO REFLECT CHANGES IN EX-
7 CLUSION AMOUNT.—

8 “(1) IN GENERAL.—If the taxpayer made a tax-
9 able gift in an applicable preceding calendar period,
10 the amount of tax computed under subsection (a)
11 shall be reduced by the amount of tax which would
12 have been payable under chapter 12 for such appli-
13 cable preceding calendar period if the applicable ex-
14 clusion amount in effect for such preceding calendar
15 period had been the applicable exclusion amount in
16 effect for the calendar year for which the tax is
17 being computed and the modifications described in
18 subsection (g) had been applicable for such pre-
19 ceding calendar period.

20 “(2) LIMITATION.—The aggregate amount of
21 gifts made in any applicable preceding calendar pe-
22 riod to which the reduction under paragraph (1) ap-
23 plies shall not exceed the excess of—

24 “(A) the applicable exclusion amount for
25 such preceding calendar period, over

1 “(B) the applicable exclusion amount for
2 the calendar year for which the tax is being
3 computed.

4 “(3) APPLICABLE PRECEDING CALENDAR YEAR
5 PERIOD.—The term ‘applicable preceding calendar
6 year period’ means any preceding calendar year pe-
7 riod in which the applicable exclusion amount ex-
8 ceeded the applicable exclusion amount for the cal-
9 endar year for which the tax is being computed.

10 “(4) APPLICABLE EXCLUSION AMOUNT.—The
11 term ‘applicable exclusion amount’ means, with re-
12 spect to any period, the amount determined under
13 section 2010(c) for such period, except that in the
14 case of any period for which such amount includes
15 the deceased spousal unused exclusion amount (as
16 defined in section 2010(c)(4)), such term shall mean
17 the basic exclusion amount (as defined under section
18 2010(c)(3), as in effect for such period).”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by this subsection shall apply to estates of decedents
21 dying, and generation-skipping transfers and gifts
22 made, after December 31, 2012.

23 (4) APPLICATION OF EGTRRA SUNSET.—Section
24 901 of the Economic Growth and Tax Relief Rec-

1 conciliation Act of 2001 shall apply to the amend-
2 ments made by paragraph (1).

