

104TH CONGRESS  
1ST SESSION

# H. R. 784

To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1995

Mr. COX (for himself, Mr. ANDREWS, Mr. ARMEY, Mr. BAKER of Louisiana, Mr. BILBRAY, Mr. BURTON of Indiana, Mr. CANADY of Florida, Mr. CHRYSLER, Mr. CRAMER, Mr. DOOLITTLE, Mr. DORNAN, Mr. DREIER, Mr. HERGER, Mr. HUTCHINSON, Mr. KING, Mr. MANZULLO, Mr. MOORHEAD, Mr. PARKER, Mr. ROHRABACHER, Mr. SENSENBRENNER, and Mr. SOLOMON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To repeal the Federal estate and gift taxes and the tax on 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 “Family Heritage Pres-  
5 ervation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

1           (1) Hard working American men and women  
2           spend a lifetime saving to provide for their children  
3           and grandchildren, paying taxes all the while.  
4           Throughout their lives, they pay taxes on the income  
5           and gains from their labor and their investment. Be-  
6           cause of the heavy burden of income taxes, property  
7           taxes, and other levies, it is enormously difficult to  
8           accumulate savings for a family's future. Worst of  
9           all, when the purpose of that hard earned saving is  
10          about to be achieved, families discover that between  
11          37 percent and 55 percent of their after-tax savings  
12          is confiscated by Federal inheritance taxes.

13          (2) These transfer, estate, and gift taxes punish  
14          lifelong habits of thrift; they discourage entrepre-  
15          neurship; they penalize families; and they have a  
16          negative effect on other tax revenue sources.

17          (3) These taxes raise almost no material reve-  
18          nue for the Federal Government. In fiscal year  
19          1994, they produced only 1 percent of total Federal  
20          revenues.

21          (4) The waste and economic inefficiency caused  
22          by inheritance taxes is well known. American fami-  
23          lies employ legions of tax accountants and lawyers  
24          each year to set up trusts and other prolix devices  
25          designed to avoid these onerous levies. The make-

1 work imposed upon the economy comprises billions  
2 of dollars.

3 (5) In order to pay these excessive taxes, many  
4 small businesses must liquidate all or part of their  
5 assets. By causing business closures, these taxes  
6 constrict business activity, increase unemployment,  
7 and reduce tax revenues to the Federal Government.

8 (6) Independent analyses indicate that, were  
9 these onerous taxes repealed, the Nation's GDP,  
10 Federal and State tax revenues, employment base,  
11 and capital formation would increase substantially.  
12 According to one such survey, repealing these taxes  
13 would increase GDP by \$79,220,000,000, create  
14 228,000 new jobs, and increase savings by  
15 \$630,000,000,000 by the end of the century.

16 (7) Repealing these taxes will ensure economic  
17 fairness for all American families and businesses, as  
18 well as economic growth and prosperity for the Na-  
19 tion as a whole.

20 **SEC. 3. REPEAL OF FEDERAL TRANSFER TAXES.**

21 (a) GENERAL RULE.—Subtitle B of the Internal Rev-  
22 enue Code of 1986 is hereby repealed.

23 (b) EFFECTIVE DATE.—The repeal made by sub-  
24 section (a) shall apply to the estates of decedents dying,

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1 and gifts and generation-skipping transfers made, after  
2 the date of the enactment of this Act.

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