

105TH CONGRESS
1ST SESSION

H. R. 902

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1997

Mr. COX of California (for himself, Mr. RAHALL, Mr. ANDREWS, Mr. HALL of Texas, Mr. DELAY, Mr. LIVINGSTON, Mr. BLILEY, Mr. SOLOMON, Ms. MOLINARI, Mr. PITTS, Mr. LARGENT, Mr. MCCOLLUM, Mr. TALENT, Mr. BURTON of Indiana, Mr. BACHUS, Mr. BAKER, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BILBRAY, Mr. BONILLA, Mr. BONO, Mr. BRYANT, Mr. BUNNING, Mr. CALLAHAN, Mr. CALVERT, Mr. CANNON, Mr. CANADY of Florida, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. COBURN, Mr. COLLINS, Mr. COOK, Mr. COOKSEY, Mr. CRANE, Mr. CRAPO, Mrs. CUBIN, Mr. DEAL of Georgia, Mr. DOOLITTLE, Mr. DREIER, Mr. DUNCAN, Mr. EHRlich, Mrs. EMERSON, Mr. FOLEY, Mr. FORBES, Mr. FOX of Pennsylvania, Mr. GALLEGLY, Mr. GIBBONS, Mr. GOODLING, Mr. GRAHAM, Ms. GRANGER, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILL, Mr. HORN, Mr. HOSTETTLER, Mr. HULSHOF, Mr. HUNTER, Mr. HUTCHINSON, Mr. INGLIS of South Carolina, Mr. SAM JOHNSON of Texas, Mr. JONES, Mrs. KELLY, Mr. KIM, Mr. KING, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LUCAS of Oklahoma, Mr. MCCRERY, Mr. MCINTOSH, Mr. MCHUGH, Mr. MCKEON, Mr. MANZULLO, Mr. METCALF, Mr. MORAN of Kansas, Mrs. MYRICK, Mr. NORWOOD, Mr. PACKARD, Mr. PAPPAS, Mr. PARKER, Mr. PAUL, Mr. PEASE, Mr. POMBO, Mr. RIGGS, Mr. RILEY, Mr. ROGAN, Mr. ROHRABACHER, Mr. ROYCE, Mr. RYUN, Mr. SAXTON, Mr. SCARBOROUGH, Mr. BOB SCHAFFER of Colorado, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SKEEN, Mr. SMITH of Texas, Mrs. SMITH of Washington, Mr. SMITH of Michigan, Mr. SMITH of Oregon, Mr. SNOWBARGER, Mr. STEARNS, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. WALSH, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, and Mr. YOUNG of Alaska) introduced the following bill; which was referred to the Committee on Ways and Means

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:

8 (1) Hard working American men and women
9 spend a lifetime saving to provide for their children
10 and grandchildren, paying taxes all the while.
11 Throughout their lives, they pay taxes on the income
12 and gains from their labor and their investment. Be-
13 cause of the heavy burden of income taxes, property
14 taxes, and other levies, it is enormously difficult to
15 accumulate savings for a family’s future. Worst of
16 all, when the purpose of that hard earned saving is
17 about to be achieved, families discover that between
18 37 percent and 55 percent of their after-tax savings
19 is confiscated by Federal estate taxes.

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

5 (3) These taxes raise almost no material reve-
6 nue for the Federal Government. In fiscal year
7 1996, they produced less than 1 percent of total
8 Federal revenues.

9 (4) The waste and economic inefficiency caused
10 by estate taxes is well known. American families em-
11 ploy legions of tax accountants and lawyers each
12 year to set up trusts and other prolix devices de-
13 signed to avoid these onerous levies. The make-work
14 imposed upon the economy comprises billions of dol-
15 lars.

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

21 (6) Independent analyses indicate that, were
22 these onerous taxes repealed, the Nation's gross do-
23 mestic product, Federal and State tax revenues, em-
24 ployment base, and capital formation would increase

1 substantially. According to one such survey, repeal-
2 ing these taxes will increase the Nation's economic
3 output by \$77,000,000,000, create more than
4 1,000,000 new jobs, and increase personal income by
5 \$56,000,000,000 over the next 7 years.

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

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

11 (a) GENERAL RULE.—Subtitle B of the Internal Rev-
12 enue Code of 1986 (relating to estate, gift, and genera-
13 tion-skipping taxes) is hereby repealed.

14 (b) EFFECTIVE DATE.—The repeal made by sub-
15 section (a) shall apply to the estates of decedents dying,
16 and gifts and generation-skipping transfers made, after
17 the date of the enactment of this Act.

○