

105TH CONGRESS
1ST SESSION

S. 650

To amend the Internal Revenue Code of 1986 to reduce estate taxes by providing a 20 percent rate of tax on estates exceeding \$1,000,000, and a 30 percent rate of tax on estates exceeding \$10,000,000, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 1997

Mr. NICKLES introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to reduce estate taxes by providing a 20 percent rate of tax on estates exceeding \$1,000,000, and a 30 percent rate of tax on estates exceeding \$10,000,000, 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 “Estate Tax Reduction
5 Act of 1997”.

1 **SEC. 2. 20 PERCENT RATE OF TAX ON ESTATES EXCEEDING**
 2 **\$1,000,000; 30 PERCENT RATE OF TAX ON ES-**
 3 **TATES EXCEEDING \$10,000,000.**

4 (a) IN GENERAL.—Section 2001(c) of the Internal
 5 Revenue Code of 1986 (relating to imposition and rate of
 6 tax) is amended to read as follows:

7 “(c) RATE SCHEDULE.—

**“If the amount with respect to which the tentative tax
 to be computed is: The tentative tax is:**

Not over \$10,000,000	20 percent.
Over \$10,000,000	\$2,000,000 plus 30 percent of the excess over \$10,000,000.”.

8 (b) INCREASE IN UNIFIED CREDIT.—

9 (1) IN GENERAL.—Section 2010(a) of the In-
 10 ternal Revenue Code of 1986 (relating to unified
 11 credit against estate tax) is amended by striking
 12 “\$192,800” and inserting “\$200,000”.

13 (2) GIFT TAX CREDIT.—Section 2505(a)(1) of
 14 such Code (relating to unified credit against gift
 15 tax) is amended by striking “\$192,800” and insert-
 16 ing “\$200,000”.

17 (3) CONFORMING AMENDMENTS.—

18 (A) Section 2102(c)(3)(A) of such Code is
 19 amended by striking “\$192,800” and inserting
 20 “\$200,000”.

1 (B) Section 6018(a)(1) of such Code is
2 amended by striking “\$600,000” and inserting
3 “\$1,000,000”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to the estates of decedents dying,
6 and gifts made, after the date of the enactment of this
7 Act.

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