

**APPENDIX**

**Joint Tax Committee Estimates of Estate Tax Proposals**

The following is excerpted from Joint Committee on Taxation letters, June 7 and 8, 2006:

The proposal for which we are providing an estimate in this response would make the estate, gift, and generation skipping transfer taxes permanent. It sets the estate tax exemption amount at \$5 million for decedents dying after December 31, 2009, and indexes this amount thereafter. The proposal repeals the State death tax credit beginning after 2009 and does not allow for a deduction of State death taxes. In addition, the proposal repeals section 1022 of the Code pertaining to carryover basis. Because the proposal increases the estate tax exemption amount to \$5 million and more, the qualified family-owned business interest deduction of section 2057 of the Code is effectively repealed. Under the proposal the lifetime gift tax exclusion amount remains fixed at \$1 million, as under present law. The gift tax rate would be equal to the highest rate of tax applicable to ordinary income under the individual income tax, which generally is 39.6 percent for years after 2010.

The proposal would set the estate tax rate equal to the long-term capital gains tax rate (which would be 15 percent in 2010 and 20 percent thereafter) for taxable transfers in excess of \$5 million but not more than \$30 million and apply an estate tax rate of 30 percent to taxable transfers in excess of \$30 million.

Assuming that the proposal would be effective for decedents dying and generation skipping transfers made after December 31, 2009, we estimate that it would decrease fiscal year Federal budget receipts as follows:

<b>Fiscal Years (Billions of Dollars)</b>											
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2007-11</u>	<u>2007-16</u>
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**NOTE:** Details may not add to totals due to rounding.

<b>Make Repeal in 2010 Permanent Thereafter (H.R. 8)</b>											
<b>Fiscal Years (Billions of Dollars)</b>											
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2007-11</u>	<u>2007-16</u>
-1.0	-1.5	-1.2	-1.9	-32.3	-58.4	-63.0	-69.4	-75.9	-81.9	-37.9	-386.5