

S 1677

Responsible Estate Tax Act

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jun 25, 2015

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jun 25, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/1677>

Sponsor

Name: Sen. Sanders, Bernard [I-VT]

Party: Independent • State: VT • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Sep 28, 2016

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jun 25, 2015

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 HR 2907	Identical bill	Jun 25, 2015: Referred to the House Committee on Ways and Means.
114 HR 1544	Related bill	Mar 23, 2015: Referred to the House Committee on Ways and Means.

Responsible Estate Tax Act

Amends the Internal Revenue Code, with respect to estate, gift, and generation-skipping transfer taxes, to: (1) revise estate tax rates to impose an increased tax for estates over \$3.5 million and a maximum tax rate of 55% for estates over \$50 million, (2) impose a 10% surtax on estates over \$500 million, (3) reduce the basic estate tax exclusion amount to \$3.5 million, (4) increase to \$3 million the reduction in valuations of farmland for estate tax purposes and adjust such increased amount for inflation after 2014, and (5) increase to \$2 million the maximum estate tax exclusion for contributions of conservation easements.

Requires that the value of the basis in any property acquired from a decedent or by gift be consistent with the basis as determined for estate and gift tax purposes. Requires executors of estates and donors of gifts required to file a gift tax return to disclose to the Department of the Treasury, and to recipients of any interest in an estate or a gift, information identifying the value of each interest received.

Sets forth estate valuation rules for certain transfers of nonbusiness assets and limits estate tax discounts for certain individuals with minority interests in a business acquired from a decedent.

Expands rules for valuing assets in grantor retained annuity trusts to require that: (1) the right to receive fixed amounts from an annuity last for a term of not less than 10 years and that such fixed amounts not decrease during the first 10 years of the annuity term, and (2) the remainder interest have a value greater than 10% when transferred.

Sets forth rules for the application of transfer taxes to a grantor trust (a trust in which the grantor retains control over the trust assets and has the right to receive income from the trust). Eliminates the generation-skipping transfer tax exemption for any trust whose termination date is not greater than 50 years after its creation.

Modifies the annual gift tax exclusion (currently, \$14,000 per donee) to limit the aggregate annual amount of such exclusion to twice the current exclusion amount for certain types of transfers, specifically a transfer in trust, a transfer of an interest in a pass through entity, a transfer of an interest subject to a prohibition on sale, and any other transfer of property that cannot be immediately liquidated by the donee.

Actions Timeline

- **Jun 25, 2015:** Introduced in Senate
- **Jun 25, 2015:** Read twice and referred to the Committee on Finance.