

S 3988

GRATS Act

Congress: 118 (2023–2025, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Mar 20, 2024

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

Latest Action: Read twice and referred to the Committee on Finance. (Mar 20, 2024)

Official Text: <https://www.congress.gov/bill/118th-congress/senate-bill/3988>

Sponsor

Name: Sen. Wyden, Ron [D-OR]

Party: Democratic • **State:** OR • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. King, Angus S., Jr. [I-ME]	I · ME		Mar 20, 2024

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 20, 2024

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Getting Rid of Abusive Trust Schemes Act or the GRATS Act

This bill imposes new requirements on grantor retained annuity trusts (GRATs) to discourage tax avoidance schemes by wealthy taxpayers. Specifically, such trusts must have a minimum term of 15 years and a maximum term of the life expectancy of the annuitant plus 10 years. The bill also prohibits any decrease in a GRAT during its term and requires that the remainder interests in such trusts at the time of their transfer must have a minimum value for gift tax purposes.

The bill also treats a transfer of property between a GRAT and its deemed owner as a sale or exchange for income tax purposes, with specified exceptions.

The bill designates any income tax paid on the income of a GRAT as a gift for purposes of the gift tax unless the owner of the trust is reimbursed during the same calendar year. The amount of the gift may not be reduced through the use of certain deductions, including the charitable or marital deduction, or gifts of tuition or medical care.

Actions Timeline

- **Mar 20, 2024:** Introduced in Senate
- **Mar 20, 2024:** Read twice and referred to the Committee on Finance.