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Bill Introduced to Repeal Estate and GST Taxes

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On March 30, 2011, a few members of the House Ways and Means Committee (Kevin Brady, R-Texas, joined by Mike Ross, D-Arkansas, Kristi Noem, D-South Dakota, Dan Boren, D-Oklahoma and Devin Nunes, R-California) introduced legislation, HR1259, to repeal the estate and generation-skipping transfer tax, effective on date of enactment. The legislation does not repeal the gift tax; it is maintained with a \$5 million exemption and a 35% gift tax rate. In lieu of estate and GST taxes, the legislation provides that there would be no step up in basis for assets at death and in its place, the carryover basis regime that was part of the 2010 estate tax repeal would be utilized. It is not imminent that this legislation will be enacted, nor do we expect it to go far, but we nevertheless will keep an eye on it.