

Table T06-0223
H.R. 5970 As Passed by The House, Estate Tax and Extension of Tax Relief Act of 2006
Estate Tax Returns and Liability, 2007-16¹

	Calendar Year										2007-16 Total
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Current Law											
Number of Returns (thousands)	33.1	37.1	17.5	0.0	120.5	129.4	135.7	144.4	151.8	159.8	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	0.0	50.5	54.8	57.4	60.4	62.9	67.7	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	0.0	40.4	44.3	47.3	50.9	55.3	60.1	354.8
SCENARIO 1: CAPITAL GAINS RATE OF 20 PERCENT AFTER 2010											
H.R. 5970 With Lowest Rate of 20 Percent²											
Number of Returns (thousands)	33.1	37.1	17.5	16.7	16.5	16.4	16.2	16.1	16.4	18.1	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	6.5	7.2	6.8	6.6	6.4	6.8	7.0	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	8.4	9.9	10.1	10.1	10.2	10.2	10.7	126.1
Change Due to H.R.5970³											
Number of Returns (thousands)	0.0	0.0	0.0	16.7	-104.0	-113.0	-119.5	-128.3	-135.4	-141.7	
Number of Taxable Returns (thousands)	0.0	0.0	0.0	6.5	-43.3	-48.0	-50.8	-54.0	-56.1	-60.7	
Estate Tax Liability (\$billions)	0.0	0.0	0.0	8.4	-30.5	-34.2	-37.1	-40.8	-45.1	-49.4	-228.7
SCENARIO 2: CAPITAL GAINS RATE OF 15 PERCENT MADE PERMANENT											
H.R. 5970 With Lowest Rate of 15 Percent											
Number of Returns (thousands)	33.1	37.1	17.5	16.7	16.5	16.4	16.2	16.1	16.4	18.1	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	6.5	6.7	6.6	6.5	6.3	6.7	6.9	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	8.4	8.6	8.7	8.8	8.8	8.8	9.2	117.6
Change Due to H.R.5970³											
Number of Returns (thousands)	0.0	0.0	0.0	16.7	-104.0	-113.0	-119.5	-128.3	-135.4	-141.7	
Number of Taxable Returns (thousands)	0.0	0.0	0.0	6.5	-43.8	-48.2	-50.9	-54.1	-56.2	-60.8	
Estate Tax Liability (\$billions)	0.0	0.0	0.0	8.4	-31.8	-35.6	-38.5	-42.2	-46.5	-50.9	-237.2
Addendum:											
Number of deaths (thousands)	2,579.7	2,607.9	2,636.4	2,665.2	2,694.3	2,723.7	2,753.4	2,783.5	2,813.9	2,844.6	
Taxable estates as percentage of deaths											
Current Law	0.5	0.6	0.3	0.0	1.9	2.0	2.1	2.2	2.2	2.4	
H.R. 5970 With Lowest Rate of 20 Percent	0.5	0.6	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	
H.R. 5970 With Lowest Rate of 15 Percent	0.5	0.6	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3A)

(1) Calendar years. Provisions include: effective exemption of \$3.75 million for 2010, \$4 million for 2011, \$4.25 million for 2012, \$4.5 million for 2013, \$4.75 million for 2014, \$5 million for 2015 and thereafter, indexed for inflation after 2015; statutory rate on taxable estate up to \$25 million (indexed for inflation after 2015) equal to the capital gains rate; the rate on taxable estate greater than \$25 million (indexed for inflation after 2015) would be 40 percent in 2010, 38 percent in 2011, 36 percent in 2012, 34 percent in 2013, 32 percent in 2014, and 30 percent in 2015 and thereafter; repeal the deduction for state estate taxes effective for decedents dying on or after 01/01/10. Make permanent the repeal of the state death tax credit and the 5-percent surtax, effective for decedents dying on or after 01/01/11.

(2) The lowest rate in 2010 would be 15 percent; the lowest rate in 2011 and thereafter would be 20 percent.

(3) Change in estate tax liability is a static estimate that does not include behavioral response. Change does not include the effects of the gift tax or income tax.