

**Table T06-0214**  
**Current Law and Estate Tax Proposals: Effect on Returns and Tax Liability, 2007-16**

	Calendar Year										2007-16 Total
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
<b>Current Law</b>											
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
<b>Permanent 2009 Law (\$3.5m/45%)</b>											
Number of Returns (thousands)	14.8	16.0	17.5	18.3	20.3	22.7	24.6	27.1	29.7	32.8	
Number of Taxable Returns (thousands)	5.5	6.0	7.2	7.1	8.2	9.4	10.2	11.0	12.2	14.1	
% of baseline	39.6	37.7	100.0		16.2	17.2	17.8	18.2	19.4	20.8	
Estate Tax Liability (\$billions)	13.5	14.1	16.3	16.5	18.0	19.5	20.9	22.5	24.7	26.8	192.7
% of baseline	69.8	68.1	100.0		44.4	44.0	44.3	44.1	44.6	44.5	54.3
<b>Baucus Proposal (\$3.5m/15-25-35%)</b>											
Number of Returns (thousands)	14.8	16.0	17.5	18.3	20.3	22.7	24.6	27.1	29.7	32.8	
Number of Taxable Returns (thousands)	5.3	5.8	7.1	6.9	8.0	9.2	9.9	10.6	11.9	13.7	
% of baseline	38.1	36.5	98.6		15.8	16.8	17.2	17.5	18.9	20.2	
Estate Tax Liability (\$billions)	8.2	8.5	9.9	9.9	10.8	11.6	12.5	13.4	14.5	15.5	114.7
% of baseline	42.3	41.1	60.7		26.6	26.3	26.4	26.2	26.2	25.7	32.3
<b>Kyl Proposal (\$5m/15%)</b>											
Number of Returns (thousands)	8.5	9.2	10.6	11.0	11.7	13.1	14.1	15.3	16.4	18.3	
Number of Taxable Returns (thousands)	2.8	3.0	3.4	3.6	3.9	4.2	4.4	4.7	6.0	6.6	
% of baseline	20.1	18.9	47.2		7.7	7.7	7.7	7.8	9.5	9.7	
Estate Tax Liability (\$billions)	3.2	3.3	3.8	3.9	4.1	4.4	4.7	5.1	5.4	5.8	43.8
% of baseline	16.5	16.0	23.5		10.2	10.0	10.0	9.9	9.8	9.6	12.3
<b>Kyl Alternative (\$5m/15-30%)</b>											
Number of Returns (thousands)	8.5	9.2	10.6	11.0	11.7	13.1	14.1	15.3	16.4	18.3	
Number of Taxable Returns (thousands)	2.8	3.0	3.4	3.6	3.9	4.2	4.4	4.7	6.0	6.6	
% of baseline	20.1	18.9	47.2		7.7	7.7	7.7	7.8	9.5	9.7	
Estate Tax Liability (\$billions)	4.5	4.6	5.4	5.4	5.8	6.2	6.7	7.1	7.6	8.1	61.3
% of baseline	23.1	22.2	33.2		14.3	14.1	14.1	14.0	13.7	13.4	17.3
<b>Snowe Proposal (\$7m/15-25-28%)</b>											
Number of Returns (thousands)	5.3	5.6	6.0	6.4	7.0	7.5	8.2	9.1	10.0	10.9	
Number of Taxable Returns (thousands)	1.7	1.7	1.9	2.0	2.1	2.2	2.5	2.7	2.9	3.1	
% of baseline	12.2	10.7	26.4		4.2	4.0	4.4	4.5	4.6	4.6	
Estate Tax Liability (\$billions)	4.5	4.7	5.5	5.5	5.9	6.3	6.7	7.2	7.6	8.0	61.7
% of baseline	23.3	22.4	33.9		14.5	14.2	14.2	14.1	13.7	13.3	17.4
<b>H.R. 5638, The Permanent Estate Tax Relief Act of 2006 with 15% Capital Gains Rate (\$5m/15-30%)</b>											
Number of Returns (thousands)	33.1	37.1	17.5	11.0	11.7	13.1	14.1	15.3	16.4	18.3	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	3.9	4.2	4.7	5.1	6.0	6.7	7.0	
% of baseline	100.0	100.0	100.0		8.3	8.6	8.9	9.9	10.7	10.3	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	6.2	6.7	7.2	7.7	8.2	8.8	9.3	110.4
% of baseline	100.0	100.0	100.0		16.5	16.2	16.3	16.1	15.9	15.5	31.1
<b>H.R. 5638, The Permanent Estate Tax Relief Act of 2006 with 20% Capital Gains Rate (\$5m/20-40%)</b>											
Number of Returns (thousands)	33.1	37.1	17.5	11.0	11.7	13.1	14.1	15.3	16.4	18.3	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	3.9	4.3	4.7	5.2	6.1	6.8	7.1	
% of baseline	100.0	100.0	100.0		8.5	8.6	9.1	10.1	10.8	10.5	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	6.2	9.1	9.8	10.5	11.2	12.0	12.7	128.0
% of baseline	100.0	100.0	100.0		22.6	22.2	22.2	22.0	21.7	21.1	36.1
<b>Landrieu Proposal (\$5m/35%)</b>											
Number of Returns (thousands)	33.1	37.1	17.5	11.0	11.5	12.0	12.3	13.0	13.8	15.2	
Number of Taxable Returns (thousands)	13.9	15.9	7.2	3.8	4.0	4.2	4.3	4.4	4.6	4.9	
% of baseline	100.0	100.0	100.0		7.9	7.7	7.5	7.3	7.3	7.2	
Estate Tax Liability (\$billions)	19.4	20.8	16.3	9.9	10.5	11.1	11.7	12.3	13.0	13.5	138.4
% of baseline	100.0	100.0	100.0		25.9	25.1	24.8	24.2	23.5	22.4	39.0
<b>Addendum:</b>											
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	0.5	0.6	0.3	0.0	1.9	2.0	2.1	2.2	2.2	2.4	

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

**Notes**

- Calendar years: Change in estate tax liability is a static estimate that does not include behavioral response, or the effects of the gift tax or income tax.
- 2009 law assumes: \$3.5 million effective exemption; statutory rate of 45 percent; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax. Effective for decedents dying on or after 01/01/07.
- Baucus proposal (reported) assumes: \$3.5 million effective exemption; statutory rate of 15 percent on taxable estate up to \$5 million, 25 percent on taxable estate between \$5 million and \$10 million, 35 percent on taxable estate greater than \$10 million; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax. Effective for decedents dying on or after 01/01/07.
- Kyl proposal assumes: \$5 million effective exemption; statutory rate of 15 percent; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax. Effective for decedents dying on or after 01/01/07.
- Kyl alternative proposal assumes: \$5 million effective exemption; statutory rate of 15 percent from \$5 million to \$30 million, 30 percent above \$30 million; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax. Effective for decedents dying on or after 01/01/07.
- Snowe proposal assumes: \$7 million effective exemption; statutory rate of 15 percent from \$7 million to \$10 million, 25 percent between \$10 million and \$15 million, and 28 percent above \$15 million; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax. Effective for decedents dying on or after 01/01/07.
- H.R. 5638 With Rates of 15/30 Percent assumes: capital gains rate of 15 percent made permanent; \$5 million effective exemption; statutory rate equal to the capital gains rate on taxable estate between \$5 million and \$25 million and twice the capital gains rate on taxable estate greater than \$25 million; repeal the deduction for state estate taxes, all 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.
- H.R. 5638 With Rates of 20/40 Percent assumes: capital gains rate returns to 20 percent; \$5 million effective exemption; statutory rate equal to the capital gains rate on taxable estate between \$5 million and \$25 million and twice the capital gains rate on taxable estate greater than \$25 million; repeal the deduction for state estate taxes, all 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.
- Landrieu Proposal assumes: \$5 million effective exemption, indexed for inflation after 2010, reduced (but not below zero) by 5 percent of amount by which taxable estate exceeds \$100 million; allow additional \$2.5 million deduction for qualified family-owned business interests (QFOBIs); impose single statutory estate tax rate of 35 percent; all effective for decedents dying on or after 01/01/10. Make permanent the repeal of the state death tax credit and make the deduction for state estate taxes paid permanent; make permanent the repeal of the 5-percent surtax.