

Table T06-0138
Current Law and Estate Tax Proposals: Effect on Returns and Tax Liability, 2007-16

	Calendar Year										2007-16
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
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
Permanent 2009 Law (\$3.5m/45%)											
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
Baucus Proposal (\$3.5m/15-25-35%)											
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
Kyl Proposal (\$5 m/15%)											
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
Kyl Alternative (\$5 m/15-30%)											
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
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	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

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.