

Table T09-0416
Revenue Impact of Various Estate Tax Reform Proposals, 2010-2019¹

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-19 Total
Make 2009 Law Permanent, Obama Proposal²											
\$3.5M Exemption (Not indexed), 45% Rate											
Revenue Change	0.5	-0.6	-18.3	-21.8	-25.4	-28.7	-31.1	-34.0	-35.9	-38.3	-233.6
Make 2009 Law Permanent With Indexation³											
\$3.5M Exemption (Indexed), 45% Rate											
Revenue Change	0.5	-0.6	-18.4	-22.1	-25.8	-29.3	-32.0	-35.3	-37.7	-40.7	-241.5
Lincoln-Kyl Amendment⁴											
\$5M Exemption (Indexed), 35% Rate											
Revenue Change	-3.9	-6.5	-25.9	-30.6	-36.1	-40.8	-44.0	-48.3	-51.4	-54.8	-342.4
H.R. 3905 (Berkley Bill)⁵											
Phased In \$5M Exemption (Indexed), 35% Rate											
Revenue Change	0.5	-0.7	-19.6	-24.2	-29.2	-34.1	-38.0	-42.6	-46.2	-50.2	-284.4

Sources: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-3), "Estimated Budget Effects Of The Revenue Provisions Contained In The President's Fiscal Year 2010 Budget Proposal As Described by The Department Of The Treasury, May 2009" (JCX-28-09), Joint Committee on Taxation, and TPC calculations.

(1) Fiscal years. Baseline is current law. In 2009 current law is a \$3.5 million exemption and 45 percent rate. The estate tax is repealed in 2010. Beginning in 2011, the exemption under current law is \$1 million with a top rate of 55 percent, and the credit for state estate taxes is restored.

(2) Proposal maintains exemption of \$3.5 million and rate of 45 percent. The deduction for state-level wealth transfer taxes paid is extended. JCT estimate.

(3) Proposal maintains exemption of \$3.5 million, indexes it for inflation after 2009, and maintains rate of 45 percent. The deduction for state-level wealth transfer taxes paid is extended.

(4) Proposal raises exemption to \$5 million, indexed for inflation after 2010, and lowers rate to 35 percent. The deduction for state-level wealth transfer taxes paid is extended. Proposal is effective 01/01/10.

(5) Proposal phases in an exemption of \$5 million, indexed for inflation after 2019, and phases in a lower rate of 35 percent by 2019. Proposal also phases out the deduction for state-level wealth transfer taxes by 2019.