

Table T06-0172
H.R. 5638 As Amended and Passed by The House, The Permanent Estate Tax Relief Act of 2006
Assuming Current Law 20 Percent Capital Gains Rate
Farms and Businesses²

Size of Gross Estate (millions of current dollars)	Returns		Gross Estate			Net Estate Tax			Average Tax Rate ³
	Number	Percent of Total	Amount (\$millions)	Average (\$ thousands)	Percent of Total	Amount (\$millions)	Average (\$ thousands)	Percent of Total	
ALL RETURNS									
Less than 1.0	0	0.0	0	0	0.0	0	0	0.0	0.0
1.0 - 2.0	0	0.0	0	0	0.0	0	0	0.0	0.0
2.0 - 3.5	0	0.0	0	0	0.0	0	0	0.0	0.0
3.5 - 5.0	0	0.0	0	0	0.0	0	0	0.0	0.0
5.0 - 10.0	310	52.5	2,179	7,028	15.4	22	72	2.1	1.0
10.0 - 20.0	170	28.8	2,400	14,115	16.9	46	269	4.3	1.9
More than 20.0	110	18.6	9,601	87,280	67.7	999	9,085	93.6	10.4
All	590	100.0	14,179	24,032	100.0	1,067	1,809	100.0	7.5
TAXABLE RETURNS									
Less than 1.0	0	0.0	0	0	0.0	0	0	0.0	0.0
1.0 - 2.0	0	0.0	0	0	0.0	0	0	0.0	0.0
2.0 - 3.5	0	0.0	0	0	0.0	0	0	0.0	0.0
3.5 - 5.0	0	0.0	0	0	0.0	0	0	0.0	0.0
5.0 - 10.0	50	29.4	420	8,409	6.2	22	448	2.1	5.3
10.0 - 20.0	70	41.2	934	13,346	13.7	46	652	4.3	4.9
More than 20.0	50	29.4	5,472	109,437	80.2	999	19,988	93.6	18.3
All	170	100.0	6,826	40,156	100.0	1,067	6,279	100.0	15.6
NON-TAXABLE RETURNS									
Less than 1.0	0	0.0	0	0	0.0	0	0	n/a	0.0
1.0 - 2.0	0	0.0	0	0	0.0	0	0	n/a	0.0
2.0 - 3.5	0	0.0	0	0	0.0	0	0	n/a	0.0
3.5 - 5.0	0	0.0	0	0	0.0	0	0	n/a	0.0
5.0 - 10.0	260	61.9	1,758	6,763	23.9	0	0	n/a	0.0
10.0 - 20.0	110	26.2	1,465	13,322	19.9	0	0	n/a	0.0
More than 20.0	60	14.3	4,129	68,815	56.2	0	0	n/a	0.0
All	420	100.0	7,353	17,506	100.0	0	0	n/a	0.0

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

(1) Calendar year. Numbers of returns have been rounded to the nearest multiple of ten. Provisions include: \$5 million effective exemption indexed for inflation after 2010; statutory rate of 20 percent on taxable estate between \$5 million and \$25 million and 40 percent on taxable estate greater than \$25 million; repeal the state death tax credit (and do not allow a deduction for state estate taxes paid); repeal the 5-percent surtax.

(2) Estate tax returns where farm and business assets represent at least half of gross estate.

(3) Average net estate tax liability as a percentage of average gross estate.