

Table T06-0169

H.R. 5638, The Permanent Estate 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. 5638 With Rates of 20/40 Percent²											
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	
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
Change Due to H.R.5638³											
Number of Returns (thousands)	0.0	0.0	0.0	11.0	-108.8	-116.3	-121.6	-129.1	-135.4	-141.5	
Number of Taxable Returns (thousands)	0.0	0.0	0.0	3.9	-46.2	-50.1	-52.2	-54.3	-56.1	-60.6	
Estate Tax Liability (\$billions)	0.0	0.0	0.0	6.2	-31.3	-34.5	-36.8	-39.7	-43.3	-47.4	-226.8
SCENARIO 2: CAPITAL GAINS RATE OF 15 PERCENT MADE PERMANENT											
H.R. 5638 With Rates of 15/30 Percent											
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	
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
Change Due to H.R.5638³											
Number of Returns (thousands)	0.0	0.0	0.0	11.0	-108.8	-116.3	-121.6	-129.1	-135.4	-141.5	
Number of Taxable Returns (thousands)	0.0	0.0	0.0	3.9	-46.3	-50.1	-52.3	-54.4	-56.2	-60.7	
Estate Tax Liability (\$billions)	0.0	0.0	0.0	6.2	-33.7	-37.1	-39.6	-42.7	-46.5	-50.8	-244.3

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

(1) Calendar years. Provisions include: \$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.

(2) The rates in 2010 would be 15 and 30 percent; the rates in 2011 and thereafter would be 20 percent and 40 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.