

103^D CONGRESS
1ST SESSION

H. R. 2717

To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 1993

Mr. COX introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Heritage Pres-
5 ervation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

8 (1) Hard working American men and women
9 spend a lifetime saving to provide for their children
10 and grandchildren, paying taxes all the while.

1 Throughout their lives, they pay taxes on the income
2 and gains from their labor and their investment. Be-
3 cause of the heavy burden of income taxes, property
4 taxes, and other levies, it is enormously difficult to
5 accumulate savings for a family's future. Worst of
6 all, when the purpose of that hard earned saving is
7 about to be achieved, families discover that between
8 37 percent and 50 percent of their after-tax savings
9 is confiscated by Federal inheritance taxes.

10 (2) These transfer, estate, and gift taxes punish
11 lifelong habits of thrift; they discourage entrepre-
12 neurship; they penalize families; and they have a
13 negative effect on other tax revenue sources.

14 (3) These taxes raise almost no material reve-
15 nue for the Federal Government. In fiscal year
16 1992, they produced only 1 percent of total Federal
17 revenues.

18 (4) The waste and economic inefficiency caused
19 by inheritance taxes is well known. American fami-
20 lies employ legions of tax accountants and lawyers
21 each year to set up trusts and other prolix devices
22 designed to avoid these onerous levies. The make-
23 work imposed upon the economy comprises billions
24 of dollars.

1 (5) In order to pay these excessive taxes, many
2 small businesses must liquidate all or part of their
3 assets. By causing business closures, these taxes
4 constrict business activity, increase unemployment,
5 and reduce tax revenues to the Federal Government.

6 (6) Independent analyses indicate that, were
7 these onerous taxes repealed, the Nation's GDP,
8 Federal and State tax revenues, employment base,
9 and capital formation would increase substantially.
10 According to one such survey, repealing these taxes
11 in 1993 would increase GDP by \$79,220,000,000,
12 create 228,000 new jobs, and increase savings by
13 \$630,000,000,000 during the next 7 years.

14 (7) Repealing these taxes will ensure economic
15 fairness for all American families and businesses, as
16 well as economic growth and prosperity for the Na-
17 tion as a whole.

18 **SEC. 3. REPEAL OF FEDERAL TRANSFER TAXES.**

19 (a) GENERAL RULE.—Subtitle B of the Internal Rev-
20 enue Code of 1986 is hereby repealed.

21 (b) EFFECTIVE DATE.—The repeal made by sub-
22 section (a) shall apply to the estates of decedents dying,
23 and gifts and generation-skipping transfers made, after
24 the date of the enactment of this Act.

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