

104TH CONGRESS
1ST SESSION

H. R. 1401

To establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction.

IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 1995

Mr. HOUGHTON (for himself and Mr. GIBBONS) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction.

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. CREDIT EQUIVALENT TO LIMITED MARITAL DE-**
4 **DUCTION IN CASE OF CERTAIN EMPLOYEES**
5 **OF INTERNATIONAL ORGANIZATIONS.**

6 (a) IN GENERAL.—Subchapter C of chapter 11 of the
7 Internal Revenue Code of 1986 is amended by adding at
8 the end the following new section:

1 **“SEC. 2210. CREDIT EQUIVALENT TO LIMITED MARITAL DE-**
2 **DUCTION IN CASE OF CERTAIN EMPLOYEES**
3 **OF INTERNATIONAL ORGANIZATIONS.**

4 “(a) GENERAL RULE.—In the case of a decedent to
5 whom this section applies, the tax determined under sec-
6 tion 2001(b) or 2101(b) (whichever is applicable) shall be
7 reduced by the applicable marital transfer credit deter-
8 mined under subsection (c).

9 “(b) DECEDENTS TO WHOM SECTION APPLIES.—
10 This section shall apply to a decedent if—

11 “(1) as of the date of the decedent’s death—

12 “(A) both the decedent and the surviving
13 spouse of the decedent were not citizens of the
14 United States and not lawful permanent resi-
15 dents of the United States, and

16 “(B) either the decedent or the surviving
17 spouse of the decedent was a qualified inter-
18 national organization employee, and

19 “(2) the executor of the decedent’s estate
20 waives the benefits of section 2056(d)(2).

21 “(c) APPLICABLE MARITAL TRANSFER CREDIT.—

22 “(1) ESTATES TAXABLE UNDER SECTION
23 2001.—

24 “(A) IN GENERAL.—If the estate of the
25 decedent is taxable under section 2001, the ap-

1 applicable marital transfer credit is the excess
2 of—

3 “(i) a tentative tax computed under
4 section 2001(c) on the sum of the marital
5 transfer amount plus \$600,000, over

6 “(ii) a tentative tax computed under
7 section 2001(c) on \$600,000.

8 If the amount of the adjusted taxable gifts of
9 the decedent exceeds \$600,000, the amount of
10 such gifts shall be substituted for ‘\$600,000’ in
11 clauses (i) and (ii).

12 “(B) LIMITATION ON MARITAL TRANSFER
13 AMOUNT.—The amount of the marital transfer
14 amount taken into account under subparagraph
15 (A) shall not exceed the lesser of—

16 “(i) \$600,000, or

17 “(ii) the excess of the sum referred to
18 in section 2001(b)(1) over \$600,000.

19 “(2) ESTATES TAXABLE UNDER SECTION
20 2101.—If the estate of the decedent is taxable under
21 section 2101, the applicable marital transfer credit
22 shall be determined under the principles of para-
23 graph (1) with the following modifications—

1 “(A) the \$600,000 amount set forth in
2 subparagraph (B)(i) shall be reduced by the de-
3 duction equivalent of the unified credit, and

4 “(B) the deduction equivalent of the uni-
5 fied credit shall be substituted for ‘\$600,000’
6 each place it appears in paragraph (1) other
7 than subparagraph (B)(i).

8 “(d) SPOUSE BECOMES CITIZEN.—This section shall
9 not apply in any case in which paragraph (1) of section
10 2056(d) does not apply by reason of paragraph (4) of such
11 section.

12 “(e) OTHER DEFINITIONS.—For purposes of this
13 section—

14 “(1) QUALIFIED INTERNATIONAL ORGANIZA-
15 TION EMPLOYEE.—The term ‘qualified international
16 organization employee’ means any full-time employee
17 of an international organization whose principal
18 place of employment with such organization is in the
19 United States.

20 “(2) MARITAL TRANSFER AMOUNT.—The term
21 ‘marital transfer amount’ means the amount which
22 would have been allowable as a deduction under sec-
23 tion 2056 or 2106(a)(3) (whichever is applicable) if
24 section 2056 were applied without regard to sub-
25 section (d) thereof.

