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Estate and Gift Tax Revenues: Several Measurements

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March 16, 2006

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Summary

The question of whether to permanently repeal the federal estate tax or to retain but alter it remains a topic of congressional interest. This report presents a variety of data measuring the payment of estate and gift taxes to help inform the debate. The most recent IRS data are for estate tax returns filed in 2004. They show that the 3,494 gross estates of $5 million or higher accounted for just 0.14% of decedents and 11.6% of taxable returns, but 61.3% of estate taxes paid. The 30,276 taxable estate tax returns filed in 2004 represented 1.24% of deaths. The tax rate on estates of $5 million up to $20 million averaged 29% of the gross estate.

This is a period of changing estate tax laws. The Taxpayer Relief Act of 1997 (TRA, P.L. 105-34) provided for a gradual increase in the exempt amount under the estate tax from $600,000 for 1997 to $1 million in 2006. The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L. 107-16) superseded those changes and raised the exempt amount to $1 million for 2002 and 2003, $1.5 million for 2004 and 2005, $2 million for 2006 through 2008, and $3.5 million for 2009. EGTRRA repealed the estate tax entirely for 2010, but the law sunsets on December 31, 2010. Unless new legislation governing the estate tax is enacted, the estate tax will be reinstated in 2011 with an exempt amount of $1 million.

From 1998 through 2004 taxable estates as a percentage of deaths remained relatively constant in the three highest gross estate classes over $5 million. The rising exempt amount eliminated a large number of smaller estates, from $600,000 up to $1 million in gross size, from being taxable.

In FY2005 estate and gift tax revenues of $24.8 billion represented 1.1% of total federal revenue and 2.7% of individual income tax revenue. CBO has estimated estate and gift tax revenues from FY2006 through FY2016 under current law. Annual revenues are projected to be $28 billion in FY2006, reach $29 billion in FY2009, and then drop to $22 billion in FY2010 and $20 billion in FY2012. If the estate tax returns in 2011 with an exclusion of $1 million, CBO projects that revenues will rise steadily from $45 billion in 2012 to $67 billion in FY2016.

Both the Treasury Department and the Joint Committee on Taxation (JCT) have estimated revenue losses through FY2016 from Congress acting in 2006 to permanently repeal the estate and generation-skipping transfer taxes and modify gift taxes starting in 2010. For the years prior to FY2011 both sources predict modest revenue losses resulting from older people paying fewer gift taxes and fewer income taxes on capital gains in anticipation of repeal. After repeal Treasury projects annual revenue losses growing from $53 billion in FY2012 to $70 billion in FY2016. JCT projects larger losses of $56 billion and $79 billion for those years. The 10-year revenue loss estimate for FY2007-FY2016 is $339.0 billion for Treasury and $369.2 billion for JCT. Over the 10-year forecast period, permanent estate tax repeal accounts for nearly 20% of the total net costs of the revenue proposals in the Bush Administration's FY2007 budget . This report will be updated as new data become available.

Contents

List of Tables

Estate and Gift Tax Revenues: Several Measurements

The question of whether to permanently repeal the federal estate tax or to retain but alter it remains before the 109th Congress. This report presents a variety of data available about revenues collected from federal estate and gift taxes to provide background material for the debate. The text discusses the numbers presented in 12 tables.

The first section of the report presents the most recent distributional data available from the Internal Revenue Service (IRS) for estate tax returns filed in 2004. It shows the amount of estate tax paid by each of five categories of size of gross estate, both separately (**Table 1**) and cumulatively (**Table 2**). It also presents the average size of gross estate, the average estate taxes paid, and the average tax rate as a percentage of the gross estate for each of the five size categories (**Table 3**).

The second section of the report describes the substantial increases in the applicable exclusion amount (or exempt amount) under the estate tax scheduled from 1997 through 2009, the repeal of the estate tax scheduled for 2010, and the reinstatement of the estate tax with a lower exclusion amount in 2011 if no changes are made to current law. It also presents the scheduled decrease in the maximum marginal estate tax rate (**Table 4**).

The third section of the report examines the relationship between the increase in the applicable exclusion amount (or filing threshold) and the number of estate tax returns that were filed and taxable, as well as the total amount of tax paid, from 1998 through 2004 (**Table 5**). It traces the differing patterns of the number of taxable returns by size of gross estate, in both absolute numbers (**Table 6**) and measured as a percentage of deaths (**Table 7**).

The fourth section reveals that less than half of all estate tax returns filed from 1998 through 2004 were taxable (**Table 8**). The percentage of taxable returns was higher, the larger the gross estate size class. There was a large drop in the percentage of returns that were taxable within each size class between 1998 and 2004.

The fifth section of the report presents data on actual estate and gift tax revenues collected from FY1999 through 2005, comparing them to total federal revenues and to revenues from individual income taxes (**Table 9**). Gift taxes as a percent of combined estate and gift tax revenues fell sharply after EGTRRA was enacted (**Table 10**). The fifth section also presents the January 2006 Congressional Budget Office (CBO) projection of revenues from estate and gift taxes from FY2006 through FY2016, under current law (**Table 11**). Finally, it presents estimates published by the Treasury Department in February 2006 and the Joint Committee on Taxation in March 2006 of revenue losses from FY2006 through FY2016 if the sunset provision of EGTRRA were removed in 2006, thereby permanently repealing the estate tax and generation-skipping transfer taxes and modifying the gift tax effective in 2010 (**Table 12**).

Distribution of Estate Tax Payments in 2004 by Size of Gross Estate

The estate tax is considered the most progressive part of the U.S. tax system — that is, the tax that falls most heavily on the wealthiest members of society. The distribution of estate tax payments is highly concentrated in the largest gross estate size categories. Estate tax returns filed in 2004 paid a total of $21.5 billion in estate taxes, as shown in the first row, third column of **Table 1**. The 30,276 taxable returns (column 2) represented 1.24 percent of deaths in the prior year, 2003 (column 4).

Table 1. Estate Tax Returns Filed in 2004, by Size of Gross Estate

Size of gross estate (in $ millions)	(1) Tax returns filed	(2) Taxable returns	(3) Taxes paid (in $ thousands)	(4) Taxable returns as a percent of deaths	(5) Percent of taxable returns	(6) Percent of taxes paid
All Returns	62,718	30,276	$21,510,036	1.24%	100.0%	100.0%
1.0 < 2.5	45,974	21,152	3,672,087	0.86	69.9	17.1
2.5 < 5.0	10,887	5,630	4,651,112	0.23	18.6	21.6
5.0 < 10.0	3,806	2,166	4,350,019	0.09	7.2	20.2
10.0 < 20.0	1,315	808	3,224,425	0.03	2.7	15.0
20.0 or more	736	520	5,612,394	0.02	1.7	26.1

Sources: Columns 1-3: Internal Revenue Service, Statistics of Income, Estate Tax Returns Filed in 2004 with Total Gross Estate Greater than $1 million. Unpublished data available at [http://www.irs.gov/pub/irs-soi/04es01tc.xls]. Column 4: Estate tax returns filed in one year are calculated as a percent of all deaths in the prior year. There were 2,448,288 deaths in the United States in 2003; see **Table 4** for source. Columns 4-6: Percentage calculations by CRS.

The largest gross estate size categories contributed a much bigger percentage of taxes (column 6) than the percentage of taxable returns they represented (column 5). The 520 gross taxable estates of $20 million or more accounted for just 0.02% of decedents and 1.7% of taxable returns, but 26.1% of estate taxes paid. The 808 gross estates from $10 million up to $20 million accounted for just 0 .03% of decedents and 2.7% of taxable returns, but 15.0% of taxes paid. The 2,166 gross estates from $5 million up to $10 million accounted for 0.09% of decedents and 7.2% of taxable returns, but 20.2% of taxes paid. The 5,630 gross estates from $2.5 million up to $5 million accounted for 0.23% of decedents and 18.6% of taxable returns, and a nearly proportional 21.6% of taxes paid. In contrast, the 21,152 gross estates from $1.0 million up to $2.5 million accounted for

0.86% of decedents and 69.9% of taxable returns, but only 17.1% of estate taxes paid.[1]

These calculations are shown on a cumulative basis in **Table 2**. Again, the 520 gross taxable estates of $20 million or more accounted for just 0.02% of decedents and 1.7% of taxable returns, but 26.1% of estate taxes paid. The 1,328 gross estates of $10 million or more accounted for 0.05% of decedents and 4.4% of taxable returns, but 41.1% of estate taxes. The 3,494 gross estates of $5 million or more accounted for 0.14% of decedents and 11.6% of taxable returns, but 61.3% of estate tax revenues. The 9,124 gross estates of $2.5 million or more accounted for 0.37% of decedents and 30.1% of taxable returns, but 82.9% of estate tax payments.

Table 2. Taxable Estate Tax Returns Filed in 2004, Cumulative Percentages by Size of Gross Estate

Size of gross estate (in $ millions)	Number of taxable returns	Taxable returns as a percentage of deaths	Cumulative percentage of taxable returns	Cumulative percentage of Taxes paid
20 or more	520	0.02%	1.7%	26.1%
10 or more	1,328	0.05	4.4	41.1
5 or more	3,494	0.14	11.6	61.3
2.5 or more	9,124	0.37	30.1	82.9
1 or more	30,276	1.24	100.0	100.0

Sources: See **Table 1**.

The average tax rate for all taxable estate tax returns filed in 2004 was 20.0% of the gross estate, as shown in **Table 3**, column 4. The average tax rate in the $1 million to $2.5 million size class was 10.9%. The average gross estate in the $2.5 million to $5 million size class was $3.4 million (column 2). The average net estate tax paid in that size class was $826,000 per taxable return (column 3), for an average tax rate of 24.4% (column 4). The average tax rate in the $5 million to $10 million and $10 million to $20 million gross estate size classes was 29.2% and 29.3%, respectively. In the largest size class, over $20 million, the average gross estate was $55.8 million. The average estate tax paid was $10.7 million, for an average tax rate of 19.3%.

[1] Estate tax returns filed in 2004 are most likely to be for the estates of decedents dying in 2003 when the exclusion amount under the estate tax was $1 million. They are also likely to include returns of some decedents dying in early 2004 when the exclusion amount was $1.5 million.

Table 3. Average Gross Estate, Average Estate Taxes, and Average Estate Tax Rate on Taxable Returns Filed in 2004, by Size of Gross Estate

Size of gross estate (in $ millions)	(1) Aggregate gross estate (in $ thousands)	(2) Average gross estate (in $ thousands)	(3) Average net estate tax (in $ thousands)	(4) Average tax rate on gross estate (%)
All Returns	$107,680,320	$3,557	$710	20.0%
1.0 < 2.5	33,681,202	1,592	174	10.9
2.5 < 5.0	19,053,979	3,384	826	24.4
5.0 < 10.0	14,910,242	6,884	2,008	29.2
10.0 < 20.0	11,002,799	13,617	3,991	29.3
20.0 or more	29,032,119	55,831	10,793	19.3

Notes: Using all tax returns (including those nontaxable) in the denominator would substantially lower the measure of average taxes paid and average tax rate. The average tax rate is calculated as a percentage of the gross estate, not the value of the taxable estate after deductions. Using this larger denominator lowers the measure of the average tax rate.

Sources: Column 1: Internal Revenue Service, Statistics of Income, Estate Tax Returns Filed in 2004 with Total Gross Estate Greater than $1 million. Unpublished data available at [http://www.irs.gov/pub/irs-soi/04es01tc.xls]. Column 2: column 1 of this table divided by column 2 of **Table 1**. Column 3: from **Table 1**, column 3 divided by column 2. Column 4: column 3 divided by column 2.

Increases in the Applicable Exclusion Amount

The period from 1997 through 2011 marks a time of changes in the estate tax laws brought about by the Taxpayer Relief Act of 1997 (TRA, P.L. 105-34) and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L. 107-16). In particular, these two laws provided for increases in the applicable exclusion amount under the estate tax, as shown in the first column of **Table 4**. EGTRRA also provided for a gradual decrease in the maximum marginal estate tax rate, as shown in the second column of **Table 4**.[2]

The applicable exclusion amount has two important implications. First, a federal estate tax return must be filed if a U.S. decedent's gross assets[3] equal or exceed the applicable exclusion amount for the year of the decedent's death. That is why the applicable exclusion amount is sometimes called the "tax filing

[2] Taxable estate values below the maximum cutoff are subject to a table of graduated marginal tax rates starting at 18% for the first $10,000. The lower range of marginal rates is incorporated in the unified credit. Consequently, taxpayers are only likely to pay attention to the marginal rate that applies above the applicable exclusion amount.

[3] Including taxable gifts given during the donor's lifetime.

threshold." Second, each estate tax return receives a unified transfer tax credit equal to the tax that would be due on the applicable exclusion amount.[4] Thus, the transfer of an amount of assets up to the applicable exclusion amount is free from federal tax for every estate. EGTRRA referred to the applicable exclusion amount as the "unified credit effective exemption amount." It is sometimes called the "exempt amount" for short.

The applicable exclusion amount is not indexed for inflation. Nor is it set with an explicit target of taxing only a certain percentage of the population, for example, the wealthiest one or two percent. Instead, Congress has intermittently changed the dollar amount.

From 1987 through1997 the applicable exclusion amount remained at $600,000, under provisions of the Economic Recovery Tax of 1981 (ERTA, P.L. 97-34). The Taxpayer Relief Act of 1997 (TRA, P.L. 105-34) phased in a relatively gradual increase in the applicable exclusion amount from $600,000 in 1997 to $1,000,000 in 2006. The applicable exclusion amount rose to $625,000 in 1998, $650,000 in 1999, and $675,000 for 2000 and 2001.[5] In addition, the Taxpayer Relief Act provided for the applicable exclusion amount to increase to $700,000 for 2002 and 2003, $850,000 for 2004, $950,000 for 2005, and $1 million for 2006 and beyond.

However, before the provisions of TRA were fully phased in, they were superseded for tax years 2002-2010 by the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L 107-16). EGTRRA raised the applicable exclusion amount to $1 million beginning immediately in 2002 and 2003. It increased the exclusion in large increments, to $1.5 million for 2004 and 2005, $2 million for 2006-2008, and $3.5 million in 2009. It repealed the estate tax and generation-skipping transfer tax entirely for the estates of decedents dying in 2010. But the provisions of EGTRRA will sunset on December 31, 2010. Unless new legislation governing the estate tax is enacted beforehand, in 2011 the law will revert to that in effect prior to June 7, 2001. The estate tax will be reinstated with an applicable exclusion amount of $1 million, the amount that TRA had provided for 2006 and beyond, and the family-owned business deduction will be reinstated.

[4] The unified credit is applied against both estate and gift tax obligations.

[5] The Taxpayer Relief Act also created a new exclusion from the estate tax for qualified family-owned businesses that was in effect from 1998 through 2003. The exclusion was limited to a total of $1,300,000 in combination with the applicable exclusion amount. The family-owned business exclusion was converted to a deduction by the Internal Revenue Service Restructuring and Reform Act of 1998 (P.L. 105-206). Under EGTRRA, the family-owned business deduction was repealed in 2004 when the applicable exclusion amount for all estates was increased to $1,500,000. For more information, see CRS Report 95-444, *A History of Federal Estate, Gift, and Generation-Skipping Taxes*, by John R. Luckey.

Table 4. Applicable Exclusion Amount and Maximum Tax Rate for the Estate Tax, 1988-2011

Calendar year (In the case of estates of decedents dying during)	Applicable exclusion amount	Maximum tax rate for taxable estate values over (in millions)
1988-1997	$600,000[a]	55% over $3.0 plus 5% surtax from over $10.0 to $21.040[d]
1998	$625,000[b]	55% over $3.0 plus 5% surtax from over $10.0 to $17.184[e]
1999	$650,000[b]	“
2000	$675,000[b]	“
2001	$675,000[b]	“
2002	$1,000,000[c]	50% over $2.5[c]
2003	$1,000,000[c]	49% over $2.0[c]
2004	$1,500,000[c]	48% over $2.0[c]
2005	$1,500,000[c]	47% over $2.0[c]
2006	$2,000,000[c]	46% over $2.0[c]
2007-2008	$2,000,000[c]	45% over $1.5[c]
2009	$3,500,000[c]	“
2010	Estate tax repealed for 2010 only[c]	
2011 and thereafter	$1,000,000[b]	55% over $3.0 plus 5% surtax from over $10.0 to $17.184[e]

a. Provision of the Economic Recovery Tax Act of 1981 (ERTA, P.L. 97-34). The applicable exclusion amount was $600,000 in 1987 also.
b. Provisions of the Taxpayer Relief Act of 1997 (TRA, P.L. 105-34).
c. Provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L. 107-16).
d. The Revenue Act of 1987 (P.L. 100-203) provided for a 5% surtax to offset the benefits of both the graduated tax rates on taxable estate values below $3 million and the unified credit (or applicable exclusion amount), such that the effective rate of tax on the entire estate was 55%.
e. As the result of a clerical error in the final text of TRA of 1997, later adopted by Congress, the surtax was intended to offset the benefits of only the graduated tax rates, and not the unified credit.

Relationship between the Filing Threshold and the Number of Taxable Returns

The tax law that applies to an estate is the law in effect in the year of the person’s death.[6] However, the estate tax return is not due until nine months after the

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[6] Assets are typically valued at their fair market value as of the date of death. However, they may be valued as of the “alternate valuation date” — six months after the date of death or the date of distribution of the property from the estate if earlier. The alternate valuation date might be elected by the executor if the assets have a lower value on that later date. For more information, see CRS Report 95-416, *Federal Estate, Gift, and Generation-Skipping Taxes:*
(continued...)

person's death, and an extension of six months is not uncommon. As a consequence, estate tax returns filed in a given year are most likely to reflect the tax law in effect in the preceding year. It has been estimated that of the estate tax returns filed for decedents dying in a given calendar year roughly 5% are filed in the same calendar year, 75% to 80% in the next year, and the remaining 15% to 20% in later years.[7]

It follows that estate tax returns filed in any given calendar year will include a few returns of people who died in that year, mostly the returns of people who died in the previous year, and some returns from deaths in prior years that are filing under an extension.[8] The applicable exclusion amount — or tax filing threshold — may well differ among the years represented. For each filing year from 1998 to 2004, the second column of **Table 5** shows the applicable exclusion amount for both the prior year (top number) and current year (bottom number).

For example, estate tax returns filed in 2001 will generally reflect a filing threshold of $675,000, the threshold in effect for both 2000 and 2001. In contrast, estate tax returns filed in 2002 will include mainly the returns of decedents that fall under 2001 law when the threshold was $675,000, as well as some under 2002 law when the effective filing threshold was $1 million. Estate tax returns filed in 2003 will generally reflect a filing threshold of $1 million, the law in effect for both 2002 and 2003. Estate tax returns filed in 2004 will generally reflect the $1 million threshold in effect for 2002 and 2003 but also some under the $1.5 million threshold in effect for 2004.

An increase in the applicable exclusion amount would be expected to reduce the number of estate tax returns filed, the number of returns that were taxable, and the amount of estate tax paid — relative to what they would otherwise be. Whether these numbers decline absolutely depends in large part on whether the increase in the exclusion amount outpaces the growth in the value of assets held by decedents.

As shown in **Table 5**, even as the filing threshold was increasing in annual increments of $25,000 — from $600,000 in 1997, to $625,000 in 1998, $650,000 in 1999, and $675,000 in 2000 — the number of estate tax returns filed and the number of taxable returns continued to rise. The increasing pattern holds whether measured as absolute number of returns or as tax returns as a percentage of deaths in the prior year (reflecting the nine-month grace period for filing returns). This suggests that asset values were generally rising more rapidly than the filing threshold over the 1997-2000 period. The number of estate tax returns filed rose from 97,856 or 4.23% of deaths in 1998 to 108,322 or 4.53% of deaths in 2000. The number of taxable estates rose from 47,475 or 2.05% of deaths in 1998 to 51,999 or 2.17% of deaths in 2000.

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[6] (...continued)
A Description of Current Law, by John R. Luckey.

[7] David Joulfaian, *Estate Taxes and Charitable Bequests: Evidence from Two Tax Regimes*, unpublished research paper, Dec. 2004, p. 10.

[8] Complex returns may be granted an extension longer than six months.

The numbers barely dipped in 2001 when the $675,000 filing threshold was fully phased in. This suggests that the filing threshold had caught up with the growth in asset values. But the number of returns filed dropped by 9% between 2001 and 2002 when the filing threshold increased by a much larger step, from $675,000 to $1 million. The number dropped by a noteworthy 33% in 2003 when the million dollar threshold was fully phased in. This suggests that at the $1 million level the tax filing threshold had moved ahead of the value of assets held by decedents in 2002. Between 2003 and 2004 the number of returns filed dropped by just 5% as the higher $1.5 million filing threshold began to take effect.

Between 2001 and 2003, both the total number of returns filed and the number of taxable returns fell by approximately 40%. The total number of returns filed fell from 108,112 to 66,042, or from 4.50% of deaths to 2.70% of deaths. The number of taxable returns fell from 51,842 to 30,626, or from 2.16% to 1.25% of deaths. Some of this decrease was caused by a decline in asset values, in addition to the large increases in the tax filing threshold from $675,000 in 2000 and 2001 to $1 million in 2002 and 2003.

The last column of **Table 5** shows that the total estate tax paid generally moved in the same direction as the number of taxable returns, with both rising from 1998 to 2000 and falling from 2000 to 2003. In percentage terms the total estate tax paid rose more than the number of taxable returns from 1998 to 2000 (a 20% increase in taxes compared with a 10% increase in the number of taxable returns), but dropped less than the number of taxable returns from 2000 to 2003 (a 15% decrease in taxes compared with a 41% decrease in taxable returns). Net estate tax paid increased slightly from $20.7 billion in 2003 to $21.5 billion in 2004, reflecting the legislated decline in state death tax credits.[9]

[9] Explained later on page 13.

Table 5. Number of Estate Tax Returns Filed, Taxable, as a Percentage of Deaths, and Tax Paid, 1998-2004

Year filed	Filing threshold in prior and current year ($)	Total returns filed	Taxable returns	Total returns as percent of deaths in prior year[a]	Taxable returns as percent of deaths in prior year[a]	Net estate tax paid (in $ billions)
1998	$600,000 $625,000	97,856	47,475	4.23%	2.05%	$20.3
1999	625,000 650,000	103,979	49,863	4.45	2.13	22.9
2000	650,000 675,000	108,322	51,999	4.53	2.17	24.4
2001	675,000 675,000	108,112	51,842	4.50	2.16	23.5
2002	675,000 1,000,000	98,359	44,408	4.07	1.84	21.4
2003	1,000,000 1,000,000	66,042	30,626	2.70	1.25	20.7
2004	1,000,000 1,500,000	62,718	30,276	2.56	1.24	21.5

Sources: Data on total returns filed, taxable returns, and net estate tax paid from Internal Revenue Service, **Table 1**. Estate Tax Returns Filed in [year]: Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax and Tax Credits, by Size of Gross Estate. Unpublished data from the Statistics of Income (SOI) for the years 1998 to 2004. Available on the IRS website [http://www.irs.gov/taxstats].

Deaths in 1997-2001 from U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, *Statistical Abstract of the United States*, annual editions from 2000 to 2003. Deaths in 2002 from National Vital Statistics Reports, *Deaths: Final Data for 2002*, vol. 53, no. 5, October 12, 2004, p. 1. Deaths in 2003 from Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, *Deaths: Final Data for 2003*, posted Jan. 20, 2006, available at [http://www.cdc.gov/nchs/data/hestat/finaldeaths03_tables.pdf].

a. The total number of deaths in the United States rose slightly from year to year from 1997 through 2003, as follows:

1997	2,314,245
1998	2,337,256
1999	2,391,399
2000	2,403,351
2001	2,416,425
2002	2,443,387
2003	2,448,288

The number of taxable estates in each size category of gross estate above $5 million remained relatively constant across the years 1998-2004, as shown in **Table 6**. This stability is even more apparent in **Table 7** which shows the number of taxable estates by size category from **Table 6** as a percentage of total deaths in the previous year.[10]

Table 6. Number of Taxable Returns by Size of Gross Estate, 1998-2004

Size of gross estate (in millions)	Year returns filed in						
	1998	1999	2000	2001	2002	2003	2004
$0.600 < $1.0	20,106	19,136	18,634	18,198	13,026	NA	NA
$1.0 < $2.5	19,838	22,233	23,827	24,591	22,993	21,635	21,152
$2.5 < $5.0	4,633	5,212	5,917	5,551	5,049	5,505	5,630
$5.0 < $10.0	1,836	2,045	2,258	2,165	2,101	2,157	2,116
$10.0 < $20.0	688	770	814	868	755	824	808
$20.0 or more	374	467	549	469	484	504	520
Total	47,475	49,863	51,999	51,842	44,408	30,626	30,276

Sources: IRS data cited for **Table 5**.

The fluctuation in the total number of taxable estate tax returns as a percentage of deaths (from 2.05 in 1998, to 2.17 in 2000, to 1.24 in 2004) is traceable to the three smallest size categories, under $5 million. The first row of **Table 7** shows how the increase in the tax filing threshold reduced the number of taxable estates (measured as a percentage of deaths) in the $600,000 to $1 million size of gross estate class, at first gradually from 1998 to 2001, and then markedly in 2002 and completely in 2003 and 2004.[11] The second row of **Table 7** shows how the number

[10] This percentage is sometimes expressed relative to the number of adult deaths in the previous year. The number of adult deaths (age 20 and over plus deaths for which age is unavailable) was 97.6%-97.8% of all deaths for the years 1997 to 2002. Consequently, using total deaths instead of adult deaths as the denominator does not make much difference in the percentage.

[11] Some estate tax returns are filed several years after the decedent's death. In its publicly released data for returns filed in a given year, the IRS excludes those late returns for which the gross value of the estate was less than the filing threshold in effect for the prior calendar year. In 2003, for example, 6,498 returns were filed with from $675,000 up to $1 million in gross assets, of which 2,365 were taxable. These returns are not included in the publicly released data for returns filed in 2003. This practice somewhat understates the total number of returns filed, the number of taxable returns filed, and the amount of tax paid by the $600,000 to $1 million gross estate size class for the 1998-2004 period examined in this report. But it gives a closer picture of what is occurring under the tax laws most pertinent

(continued...)

of taxable estates in the $1 million to $2.5 million size class grew from 1998 to 2001, reflecting a growth in asset holdings, and more than offsetting the decline in the lowest size class. By the 2002 and 2003 filing years, however, the increase in the tax filing threshold to $1 million (and the decline in asset values) had started to reduce the number of taxable returns in the $1 million to $2.5 million size class. The downward trend in this size class continued in 2004 as the $1.5 million threshold began to take effect. The combined losses in the two smallest size classes (under $2.5 million) caused most of the drop in the total from 2001 to 2002, and all of the drop from 2002 to 2004. The number of taxable returns in the $2.5 million to $5 million class rose from 1998 to 2000, fell in 2001 and 2002, but rose back to its 2001 level in 2003 and 2004 (row 3), reflecting fluctuations in net asset values.

In contrast, there was a noteworthy stability in the number of taxable estate tax returns as a percentage of deaths in the three largest size classes. For all but one of the six years examined, estates in the $5 million to $10 million range represented .09% of deaths (row 4), and estates in the $10 million to $20 million range .03% of deaths (row 5). Estates of $20 million or more accounted for .02% of deaths in all seven years (last row).

Table 7. Taxable Estates as a Percentage of Deaths by Size of Gross Estate, 1998-2004

Size of gross estate (in millions)	Year returns filed in						
	1998	1999	2000	2001	2002	2003	2004
$0.600 < $1.0	.87%	.82%	.78%	.76%	.54%	NA	NA
$1.0 < $2.5	.86	.95	1.00	1.02	.95	.89	.86
$2.5 < $5.0	.20	.22	.25	.23	.21	.23	.23
$5.0 < $10.0	.08	.09	.09	.09	.09	.09	.09
$10.0 < $20.0	.03	.03	.03	.04	.03	.03	.03
$20.0 or more	.02	.02	.02	.02	.02	.02	.02
Total	2.05	2.13	2.17	2.16	1.84	1.25	1.24

Sources: CRS calculations of percentages based on the IRS data presented in **Table 6**, divided by the number of deaths in the prior year shown in the note to **Table 5**. Column may not sum to total due to rounding.

[11] (...continued)
to the filing years. Returns filed several years after the decedent's death are included as long as the gross assets in the estate exceed the filing threshold in effect for the year prior to filing. IRS excludes from its tabulations returns filed that were not required to be filed because gross assets were below the filing threshold in effect for the year of death.

The tax filing threshold has increased to $1.5 million in 2004-2005 and $2 million for 2006-2008. The numbers presented in **Tables 1** and **2** in the first section suggest that these increases can be expected to dramatically decrease the number of tax returns required to be filed and the number of returns that are taxable from 2005 to 2009, through their effect on the $1 million to $2.5 million size class. The decline in estate tax revenues should be less than proportional to the decline in the number of taxable returns. The scheduled further increase in the filing threshold to $3.5 million in 2009 is likely to moderately reduce the number of returns filed and taxable in the $2.5 million to $5 million class between 2009 to 2010, unless it is offset by a major increase in asset values.

Less Than Half of Estate Tax Returns Were Taxable

Many estates face the administrative burden of filing an estate tax return even though they owe no estate tax. Just under half of estate tax returns filed each year from 1998 through 2004 were taxable. Overall, the percentage of total returns filed that were taxable dipped slightly from 48.5% in 1998, to 48.0% in 1999-2001, to 45.1% in 2002, and then rose slightly to 46.4% in 2003 and 48.3% in 2004, as shown in the first row of **Table 8**. Compare this with the percentage of individual income tax returns filed that were taxable: 72.8% in 2001, 69.9% in 2002, and 68.2% in 2003.[12]

Table 8. Percentage of Returns Taxable by Size of Gross Estate

Size of gross estate (in millions)	Year returns filed in						
	1998	1999	2000	2001	2002	2003	2004
Total	48.5%	48.0%	48.0%	48.0%	45.1%	46.4%	48.3%
$0.600<$1.0	40.5	38.4	38.9	40.0	35.4	NA	NA
$1.0<$2.5	54.5	54.5	52.7	52.0	49.6	43.5	46.0
$2.5<$5.0	60.3	60.5	59.1	56.1	51.1	52.2	51.7
$5.0<$10.0	68.9	67.1	66.7	61.0	61.1	57.8	56.9
$10.0<$20.0	72.9	72.4	72.1	67.7	63.0	63.7	61.4
$20.0 or more	83.9	80.9	78.9	74.7	72.1	70.0	70.1

Source: Percentage calculations by CRS, based on IRS sources cited for **Table 5**.

The computation of final net estate tax liability permits deductions from the gross estate for certain expenses related to administering the estate (executors'

[12] Internal Revenue Service, *Statistics of Income Bulletin*, vol. 25, no. 2, fall 2005, Washington, D.C., Selected Historical and Other Data, Table 3, p. 286. Calculated by CRS as 100 minus the percentage of returns showing no total income tax.

commissions and attorneys' fees), funeral costs, debts and mortgages, charitable bequests, and, most importantly, bequests to a surviving spouse. It also permits credits against the tentative estate tax for the unified credit (equal to the tax on the exempt amount), gift taxes previously paid, and foreign death taxes. Prior to 2002 there was a full credit for state death taxes. The credit was phased out by 25% per year from 2002 to 2004 and converted to a deduction in 2005. It is common for the first spouse to die to leave a substantial portion of his or her estate as a bequest to the surviving spouse. As a result, the estate of the first spouse to die may not be subject to tax.

As shown in each column of **Table 8**, for any given year, the percentage of estate tax returns filed that were taxable increased with the size of gross estate. Estates with a gross value just above the tax filing threshold (the applicable exclusion amount) are required to file an estate tax return but are likely to owe little or no tax. For tax returns filed in 2004 when the prevailing threshold was $1 million for most and $1.5 million for some estates, the percentage of returns that were taxable was 46.0% in the $1 million to $2.5 million category, 51.7% in the $2.5 million to$5.0 million category, 56.9% in the $5 million to $10 million category, 61.4% in the $10 million to $20 million category, and 70.1% in the $20 million and over category.

As shown in each row of **Table 8**, with a few exceptions, the percentage of returns that were taxable declined within each size category each year from 1998 through 2004. Between 1998 and 2004 the largest percentage point drop occurred in the $20 million-and-over gross estate class, where the percentage of taxable returns fell 13.8 points, from 83.9% to 70.1%. The percentage taxable also fell by from 8.5 to 12.0 percentage points for the four size categories from $1 million to $20 million. The previously large $600,000 to $1 million class — with the lowest rate of taxability (35.4% in 2002) — was eliminated by the rise in the tax filing threshold to $1 million and then $1.5 million. Its removal from the calculations led the overall percentage of taxable returns to rise from 45.1% in 2002 to 48.3% in 2004.

Estate and Gift Tax Revenues: Past and Future

This section of the report shifts to data on revenues from both estate and gift taxes, and reported by fiscal year rather than calendar year. It looks back on actual data for FYs 1998-2005, and forward to projections through FY2016.

Because of the nine-month grace period for filing estate tax returns, the revenues for a particular fiscal year are most likely to reflect the tax laws in effect for the prior-numbered calendar year. For example, revenues collected during FY2005, which ran from October 1, 2004, until September 30, 2005, are most likely to reflect the estate and gift tax laws in effect during calendar year 2004.

Recent Experience

Revenues from federal estate and gift taxes peaked at $29.0 billion in FY2000, as shown in column 1 of **Table 9**. Revenues then began falling, in part as a result of changes in the tax law, described previously, which substantially raised the applicable exclusion amount and modestly lowered the maximum tax rate, and in part because of a decline in asset values. Between FY2000 and FY2003 estate and gift tax revenues fell by $7 billion or 24%, from $29.0 billion to $22.0 billion. In FY2004, reflecting a recovery in asset values, revenues rose by 13%, back to $24.8 billion where they remained in FY2005.

Estate and gift taxes contribute a small share of total federal revenues. Measured relative to other federal revenue sources, estate and gift tax revenues peaked in FY1999 at 1.5% of total receipts (column 2 of **Table 9**) and 3.2% of individual income tax revenues (column 3). Relative to FY2003, in FY2004 estate and gift tax revenues rose both in absolute dollars and as a percent of total and individual income tax revenues. In FY2005, however, the same estate and gift tax revenues of $24.8 billion represented a low of 1.1% of total federal receipts of $2.154 trillion and 2.7% of individual income taxes of $927 billion.

Table 9. Estate and Gift Tax Revenues, Relative to Total Revenues and Individual Income Taxes, FY1998-FY2004

Fiscal year	Estate and gift tax revenues		
	In $ billions	As a percent of total federal revenue	As a percent of individual income tax revenue
1998	$24.1	1.4%	2.9%
1999	27.8	1.5	3.2
2000	29.0	1.4	2.9
2001	28.4	1.4	2.9
2002	26.5	1.4	3.1
2003	22.0	1.2	2.8
2004	24.8	1.3	3.1
2005	24.8	1.1	2.7

Sources: Revenue data from U.S. Executive Office of the President, Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2007* (Washington: GPO, 2006), Table 2.1, p. 30 (total receipts and individual income taxes), Table 2.5, p. 45 (estate and gift taxes). Percentage calculations by CRS.

Gift Taxes versus Estate Taxes

The gift tax is levied on the taxable transfer of assets during the donor's lifetime. The gift tax is due by April 15th of the year after the gift is made. Under the Taxpayer Relief Act of 1997 (TRA), the applicable exclusion amount for lifetime taxable gifts plus bequests rose from $600,000 in 1997, to $675,000 million in 2001. The same graduated tax rate structure that applied to estates applied to gifts above the exclusion amount, on a cumulative lifetime basis. However, under the Economic

Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the exclusion amount for lifetime gifts is scheduled to remain at $1 million, even as the applicable exclusion amount rises to $3.5 million by 2009.[13] Furthermore, the gift tax is scheduled to remain in effect when the estate tax is repealed in 2010. The maximum gift tax rate will be capped at 35% (equal to the maximum individual income tax rate) on taxable transfers over $500,000.

Through FY2001 gift taxes accounted for a significant percentage of estate and gift tax revenues. However, since the adoption of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) in 2001, with its announcement of estate tax repeal in 2010 , there has been a substantial decline in the revenue collected from gift taxes. The last column of **Table 10** shows that gift taxes accounted for 14% to 17% of combined estate and gift tax revenues over the FY1998-FY2001 period. However, over the FY2002-FY2004 period, gift taxes accounted for only 6% to 9% of combined estate and gift tax revenues. Gift tax revenues fell by more than half, from the range of $3.3 to $4.7 billion per year in FY1998-FY2001, down to the range of $1.4 to $1.9 billion in FY2002-FY2004 (column 2 of **Table 10**). Forecasters predict that gift tax revenues will remain low in the years remaining prior to FY2011 and will be higher in FY2011, reflecting gifts made in 2010 before the return of the estate tax in 2011.

[13] Under the gift tax there is an annual exclusion per donor per donee. This exclusion amount is indexed for inflation and rounded down to the nearest $1,000. The exclusion was $11,000 in 2005 and is $12,000 in 2006. There is an unlimited exclusion for gifts to pay for tuition or medical expenses or for transfers to a political organization for the use of the organization. There is also an unlimited marital deduction for most interspousal gifts. For more information, see CRS Report 95-444, *A History of Federal Estate, Gift, and Generation-Skipping Taxes*, by John R. Luckey, and CRS Report 95-416, *Federal Estate, Gift, and Generation-Skipping Taxes: A Description of Current Law*, by John R. Luckey.

Table 10. Estate Taxes and Gift Taxes, Net Collections, FYs 1998-2004
($ in billions)

Fiscal year	Estate taxes	Gift taxes	Estate and gift taxes	Percent estate taxes	Percent gift taxes
1998	$20.8	$3.3	$24.1	86%	14%
1999	23.0	4.7	27.7	83	17
2000	24.9	4.0	28.9	86	14
2001	24.4	3.9	28.3	86	14
2002	24.8	1.6	26.4	94	6
2003	20.0	1.9	21.9	91	9
2004	23.4	1.4	24.8	94	6

Sources: Internal Revenue Service *Data Book* for the fiscal years 1998-2004, **Table 1**: Summary of Internal Revenue Collections and Refunds, by Type of Tax, p. 8. Available on the IRS website [http://www.irs.gov]. Net collections are equal to gross collections minus refunds. Percentage calculations by CRS.

CBO Revenue Projections

In January 2006 the Congressional Budget Office (CBO) released its projections of estate and gift tax revenues for FY2006-FY2016 under current law, as shown in **Table 11**. They assume growth in the value of assets over time, reflecting both real economic growth and inflation. Starting from actual revenues of $25 billion in FY2005, CBO projected that revenues would fluctuate in the $26-to-$29 billion range from FY2006 through FY2009, corresponding to 0.2% of gross domestic product (GDP). This is while the applicable exclusion amount is rising from $1.5 million for decedents dying in 2004-2005 to $2.0 million for decedents dying in 2006-2008. Reflecting the large increase in the applicable exclusion amount to $3.5 million for 2009 and the repeal of the estate tax for calendar year 2010, CBO projected that estate and gift tax revenues would fall to $22 billion in FY2010 and $20 billion in FY2011, corresponding to 0.1% of GDP for both years. Reflecting the reinstatement of the estate tax in 2011 with an applicable exclusion amount of $1 million, CBO projected that estate and gift tax revenues would rise markedly to $45 billion and 0.3% of GDP in FY2012. CBO projected that estate and gift tax revenues would remain at 0.3% of GDP for the subsequent four fiscal years, rising steadily to $49 billion in FY2013, $55 billion in FY2014, $61 billion in FY2015, and $67 billion in FY2016.

Table 11. CBO Projections of Estate and Gift Tax Revenues Through FY2016 under Current Law

Fiscal year	Estate and gift tax revenues ($ in billions)	Estate and gift taxes as a percentage of GDP
Actual 2005	$25	0.2%
2006	28	0.2
2007	26	0.2
2008	28	0.2
2009	29	0.2
2010	22	0.1
2011	20	0.1
2012	45	0.3
2013	49	0.3
2014	55	0.3
2015	61	0.3
2016	67	0.3
Total 2007-2011	124	0.2
Total 2007-2016	402	0.2

Source: U.S. Congress, Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, Washington, January 2006, Table 4-2, p. 84.

Treasury and JCT Revenue Loss Estimates from Permanent Repeal

Among its revenue proposals for FY2007, the Bush Administration once again proposed to permanently extend the provisions of EGTRRA that are scheduled to sunset on December 31, 2010. EGTRRA's extension would make permanent the modifications to the gift tax and the repeal of both the estate tax and the generation-skipping transfer tax now due to take effect for 2010 only.

In February 2006, the Treasury Department published its estimates of changes in federal receipts expected each year from FY2006 through FY2016 if legislation to repeal the sunset provision of EGTRRA with respect to the estate and gift taxes were enacted in 2006, to become effective in 2011. The Joint Committee on Taxation (JCT) released its estimates in March 2006. Both sets of estimates are presented in **Table 12**.

The relatively modest estimated revenue losses from FY2006 through FY2010 stem primarily from a projected decline in gift tax revenues. The estimates are based on the assumption that taxpayers would immediately begin to reduce taxable gifts during their lifetimes if they knew that the estate tax would be permanently repealed in 2010. In addition, the Treasury Department projected that the enactment in 2006 of permanent repeal of the estate tax (effective in 2010) would modestly affect revenues from the individual income tax, in two different ways. First, Treasury assumes that lifetime charitable donations and accompanying tax deductions would fall, thereby increasing income tax revenues. Second, and larger in effect, it assumes that capital gains realizations by the elderly would fall, thereby decreasing income tax revenues. For all but one year in the forecast period FY2006-FY2011 Treasury projects that net reductions in income taxes would add to the decrease in revenues from gift taxes.[14]

These negative effects on gift and income tax revenues are expected to continue from FY2011 onward if the estate tax is permanently repealed. JCT assumes further that, following estate tax repeal, some deductions that would otherwise have been claimed on the estate tax return will instead be claimed on the last income tax return of the decedent, thereby reducing income tax revenues. This could include deductions for end-of-life medical expenses and estate administration expenses. The expected accompanying losses in income tax revenues are reflected in the fact that each year from FY2010 on, the total revenue losses projected by both Treasury and JCT from permanent repeal of the estate tax shown in **Table 12** exceed CBO's estimates of estate and gift tax revenues under current law shown in **Table 11**.

For the years prior to full repeal of the estate tax, the Treasury Department estimated revenue losses ranging from $1.1 billion in FY2007 to $2.7 billion in FY2010. FY2011 reflects a period of transition from estate taxes for decedents dying in 2009 to no estate taxes in 2010 and beyond. For FY2011 Treasury estimated a revenue loss of $23.8 billion. For the years reflecting full repeal of the estate tax, Treasury estimated a revenue loss of $53.1 billion for FY2012, rising annually to $70.3 billion in FY2016. The five-year revenue loss estimate for FY2007-FY2011 is $31.4 billion. The 10-year revenue loss estimate for FY2007-FY2016 is $339.0 billion.

[14] These conclusions are based on a comparison of two sets of revenue change estimates for FY2006-FY2011 published in the U.S. budget for FY2007. See U.S. Executive Office of the President, Office of Management and Budget, *Analytical Perspectives*, *Budget of the United States Government, Fiscal Year 2007* (Washington: GPO, 2006), Table 17-3, p. 265, and Table 17-4, p. 269. According to conversations with Treasury Department analysts, the estimates in Table 17-3, Effect of Proposals on Receipts — for making permanent the repeal of estate and generation-skipping transfer taxes and modification of gift taxes — include the projected effects on income taxes, in addition to the effect on estate and gift tax revenues. These are the same estimates presented (out to FY2016) in **Table 11** of this report. In contrast, the estimates in Table 17-4, Receipts by Source — for proposed legislation, under estate and gift taxes — include only the effects on estate and gift tax receipts. The difference between the two series indicates the estimated effects of changes in income tax revenues.

The JCT's estimates of revenue losses are lower than the Treasury's for the years prior to total repeal (FY2010 and earlier), but larger than the Treasury's for the subsequent years reflecting total repeal. This reflects differences in their assumptions about the baseline as well as behavioral responses. The JCT's annual revenue loss estimates rise from $55.7 billion in FY2012 to $78.8 billion in FY2016. The five-year revenue loss estimate for FY2007-FY2011 is $34.1 billion. The 10-year revenue loss estimate for FY2007-FY2016 is $369.2 billion.

Table 12. Treasury- and JCT-Estimated Revenue Changes Through FY2016 from Acting in 2006 to Permanently Repeal the Estate and Generation-Skipping Transfer Taxes and Modify the Gift Tax Effective in 2010

(millions of dollars)

Fiscal year	Treasury Department	Joint Committee on Taxation
2006	$-205	$-204
2007	-1,102	-983
2008	-1,728	-1,521
2009	-2,181	-1,199
2010	-2,676	-1,559
2011	-23,758	-29,862
2012	-53,122	-55,661
2013	-56,853	-60,166
2014	-61,562	-66,503
2015	-65,757	-72,925
2016	-70,283	-78,798
2007-2011	-31,445	-35,124
2007-2016	-339,022	-369,177

Sources: U.S. Department of the Treasury, *General Explanations of the Administration's Fiscal Year 2007 Revenue Proposals* (referred to as the Bluebook), Washington, February 2006, p. 143. The Treasury Department's annual estimates for FY2006 to FY2011, and the cumulative five- and 10-year estimates are also published in U.S. Executive Office of the President, Office of Management and Budget, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2007*, Table 17-3, p. 265. U.S. Congress, Joint Committee on Taxation, *Description of Revenue Provisions Contained in the President's Fiscal Year 2007 Budget Proposal*, 109^{th} Cong., 2^{nd} sess., JCS-1-06 (Washington: GPO, March 2006), p. 314.

Note: These estimates include the projected effect on individual income tax revenue, in addition to estate and gift taxes. The JCT's multi-year totals have been adjusted by CRS to begin in 2007 rather than 2006, for the sake of consistency with the Treasury's tabulations.

To put these numbers in some perspective, the full set of revenue proposals presented in the Bush Administration's FY2007 budget were estimated by Treasury to cost $285.3 billion over the five-year period FY2007-FY2011 and $1.741 trillion over the 10-year period FY2007-FY2016.[15] The revenue loss associated with the repeal of the estate tax and generation-skipping transfer tax and the modification of the gift taxes represents 11.0% of the total proposed net revenue costs over the five-year period FY2007-FY2011. It represents 19.5% of total estimated net revenue costs for the 10-year period FY2007-FY2016. This reflects the large effects of full estate tax repeal during the second half of the 10-year period, FY2012-FY2016.

According to the JCT's estimates, the net cost of the full set of revenue proposals in the Administration's FY2007 budget would be $297.3 billion over the five-year period FY2007-FY2011 and $1.877 trillion over the 10-year period FY2007-FY2016.[16] The estate and gift tax provisions account for 11.8% of the net revenue losses over the five-year period and 19.7% over the 10-year period. These percentages are slightly larger than those generated from the Treasury estimates.

For Additional Information

CRS Report 95-444. *A History of Federal Estate, Gift, and Generation-Skipping Taxes*, by John R. Luckey.

CRS Report RS20593. *Asset Distribution of Taxable Estates: An Analysis*, by Steven Maguire.

CRS Report RL31092. *Calculating Estate Tax Liability During the Estate Tax Phasedown Period 2001-2009*, by Nonna A. Noto.

CRS Report RS20609. *Economic Issues Surrounding the Estate and Gift Tax: A Brief Summary*, by Jane Gravelle.

CRS Report RL31061. *Estate and Gift Tax Law: Changes Under the Economic Growth and Tax Relief Reconciliation Act of 2001*, by Nonna A. Noto.

CRS Report RL30600. *Estate and Gift Taxes: Economic Issues*, by Jane G. Gravelle and Steven Maguire.

CRS Report RL32818. *Estate Tax Legislation in the 109th Congress*, by Nonna A. Noto.

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[15] U.S. Department of the Treasury, *General Explanations of the Administration's Fiscal Year 2007 Revenue Proposals* (referred to as the Bluebook), Washington, February 2006, p. 146.

[16] U.S. Congress, Joint Committee on Taxation, *Description of Revenue Provisions Contained in the President's Fiscal Year 2007 Budget Proposal*, 109th Cong., 2nd Sess., JCS-1-06 (Washington: GPO, March 2006), p. 317. The multi-year totals were adjusted by CRS to begin in FY2007 rather than FY2006.

CRS Report RL33070. *Estate Taxes and Family Businesses: Economic Issues*, by Jane Gravelle and Steven Maguire.

CRS Report 95-416. *Federal Estate, Gift, and Generation-Skipping Taxes: A Description of Current Law*, by John R. Luckey.

CRS Report RS20853. *State Estate and Gift Tax Revenue*, by Steven Maguire.