

House to consider bill to permanently extend estate tax

H.R. 4154, the Permanent Estate Tax Relief for Families, Farmers, and Small Business Act of 2009, has been added to the House floor calendar for consideration the week of Nov. 30. The bill would extend the estate tax provisions, due to expire at the end of this year under current law, and allow a \$3.5 million estate tax exclusion and a reduction in the maximum estate and gift tax rate to 45% after 2009. Specifically, it would repeal the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) that eliminate the tax on estates and generation-skipping transfers and the step-up in basis provisions for property acquired from a decedent for estates of decedents dying after 2009.

A bill was previously introduced in the Senate on November 19 to permanently extend estate tax. Under that bill, the value of any estate above \$7 million per couple or \$3.5 million per individual would be taxed at a 45% rate. Meanwhile, the Senate begins consideration of its healthcare reform bill on November 30 (see related article below).