



Joint Committee on Taxation  
June 4, 2002  
JCX-50-02

**DESCRIPTION OF H.R. 2143,  
THE “PERMANENT DEATH TAX REPEAL ACT OF 2001”**

**Present Law**

The Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”) made a number of changes to the Federal estate tax, including rate reductions and exemption equivalent amount increases that are phased in over time, as well as eventual repeal of the estate tax and generation-skipping transfer tax, effective for the estates of decedents dying and generation-skipping transfers in 2010.

In order to comply with reconciliation procedures under the Congressional Budget Act of 1974 (e.g., section 313 of the Budget Act, under which a point of order may be lodged in the Senate), the Act included a “sunset” provision, pursuant to which the provisions of the Act expire at the end of 2010. Specifically, the Act’s provisions do not apply for taxable, plan, or limitation years beginning after December 31, 2010, or to estates of decedents dying after, or gifts or generation-skipping transfers made after, December 31, 2010. The Act provides that, as of the effective date of the sunset, the Internal Revenue Code will be applied as though the Act had never been enacted. Thus, under present law, the estate tax will return as to decedents dying after 2010, in pre-Act form -- i.e., without the application of the rate reductions, exemption equivalent amount increases, and other provisions of the Act.

**Explanation of Provision**

H.R. 2143 repeals the sunset provision of the Act for purposes of the Act’s estate, gift, and generation-skipping transfer tax provisions.

**Effective Date**

The provision is effective as if included in the Act.