

Stafford Smiley Comments on Changes to the Estate Tax in the House Tax Bill

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Tax Notes

Ahead of a weeklong hiatus in Congress, a panel of Georgetown University Law School professors took stock of the progress on tax reform, highlighting areas where rhetoric didn't quite match reality and where the House and Senate bills differ.

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It's a Wonderful Death

Changes to the estate tax in the House bill, which would first double the exemptions before repealing it outright, would provide a significant benefit to a very small subset of the population, said professor Stafford Smiley, also of Caplin & Drysdale, Chtd. He added that the estimated effect would be \$172 billion less in revenue over 10 years.

But when this tax reduction is combined with the “analytically unsupportable refusal to eliminate step-up in basis at death . . . dying would be wonderful,” said Smiley. There would be no income tax on assets, and all of the appreciated assets would go to the decedent’s children without any transfer tax, he explained. He noted that the Senate’s proposal doesn’t go that far, choosing to retain the overall tax but doubling the exemptions.

To view the full article, please visit *Tax Notes*’ website (subscription required).

Excerpt taken from the article “Tax Professors Evaluate GOP Tax Bills’ Quirks” by Jonathan Curry for Tax Notes.

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