



the white house framework for tax legislation

MSK Client Alert

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On September 27, the White House released a document called the "Unified Framework for Fixing Our Broken Tax Code," containing an outline prepared by the administration plus the senior Republican members of the tax-writing committees of Congress. The Framework is far less detailed than previous proposals for structural tax reform, but is instead described as a "template" which the authors intend for Congress to use to prepare actual legislation. This template calls for new tax rates for individuals and businesses and would create a territorial international tax system. Some key headlines:

Estate Tax. The Framework calls for a repeal of the estate tax. In announcing the tax plan, the President said that repeal would overwhelmingly help farmers and small business owners. However, most farm families are not actually affected by the estate tax, which only applies to estates valued at over \$5.49 million. The nonpartisan Tax Policy Center projects that estate tax of \$19.95 billion will arise from Americans dying in 2017, of which about \$30 million, or 00.15%, will be paid by the estates of farmers and small business owners.

The Framework would also repeal the generation skipping transfer tax. The proposal is silent on the gift tax.

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