# Proposed Estate Tax Plans by Democratic Presidential Primary Contenders

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Exemption</th>
<th>Base tax rate</th>
<th>Additional tax rates</th>
<th>Surtax</th>
<th>Top Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCJA(^1)</td>
<td>$11.4 million indexed to inflation</td>
<td>40%</td>
<td>n/a</td>
<td>n/a</td>
<td>40%</td>
</tr>
<tr>
<td>Democratic House Extenders Package(^2)</td>
<td>$5 million starting January 1, 2023</td>
<td>40%</td>
<td>n/a</td>
<td>n/a</td>
<td>40%</td>
</tr>
<tr>
<td>Senator Booker(^3)</td>
<td>$3.5 million, eliminates stepped up basis</td>
<td>45%</td>
<td>10% on estates over $10 million, 20% on estates over $50 million</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Senator Warren(^4)</td>
<td>$3.5 million, eliminates stepped up basis(^5)</td>
<td>55%</td>
<td>60% on estates over $13 million, 65% on estates over $93 million, 10% surtax on estates over $1 billion</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Senator Sanders(^6)</td>
<td>$3.5 million, eliminates stepped up basis(^7)</td>
<td>45%</td>
<td>50% over $10 million, 55% over $50 million</td>
<td></td>
<td>77%</td>
</tr>
</tbody>
</table>

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1 H.R. 1 passed on December 22, 2017  
2 H.R. 3301 Taxpayer Certainty and Disaster Tax Relief Act of 2019  
3 Plan released by Senator Cory Booker on October 22, 2018  
4 S. 787 offered by Senator Elizabeth Warren (D-MA) on March 13, 2019  
5 https://elizabethwarren.com/plans/paying-for-m4a  
6 S. 309 offered by Senator Sanders (I-VT) on January 31, 2019  
Former VP Joe Biden | Has announced plans to eliminate stepped up basis, not specific announcement on exemption or rate

**Other details**

Current estate tax law post TCJA:
- Gift and generation skipping tax exemption $11.4 million per individual and $22.8 million per couple in 2019 with spousal portability, indexed for inflation (CCPI)
- Full step up in basis allowed on all inherited assets

Bernie Sanders (D-VT)
- Hikes gift and generation skipping tax rate to 45% and lowers gift tax and generation skipping tax exemption to $1 million, not indexed for inflation.
- Lowers annual gift limit to $10,000.
- Weaken Grantor Retained Annuity Trusts by increasing minimum holding time from 2 to 10 years.
- Requires consistent basis reporting requirements (Already passed into law).
- Ends valuation discounts on nonbusiness assets.
- Increases conservation easements limit to $2 million and allow farmers to lower farmland values by up to $3 million.

Senator Elizabeth Warren (D-MA)
- Weaken Grantor Retained Annuity Trusts by increasing minimum holding time from 2 to 10 years.
- Lowers annual gift exclusion to $10,000
- Eliminates GST exemption for certain trusts

Senator Cory Booker (D-NJ)
- Repeals stepped up basis for estates over $100,000
- Increases capital gains rate by 4.2%
- Unofficial score: $60 billion over 10 years

Senate Democrats Proposed Changes to Estate Tax to help fund infrastructure
- Gift tax, and GST exemptions decreased to 2017 levels
- Score: $83 billion over 10 years

Technical Changes proposed in President Obama’s FY2013 budget:
- Extend the minimum term for GRATs to 10 years
  - **Score:** raise $3.3 billion over 10 years
- Consistency in reporting (passed as part of 2015 PATH Act)
• Score: raise $2 billion over 10 years
  • Disallow lack of control and lack of marketability discounts
    o Score: raise $18 billion over 10 years
• Other changes including extending tax liens, limit duration of GST exemptions, modify tax rules for GRATs
  o Score: raise $41 billion over 10 years