

110TH CONGRESS
2^D SESSION

H. R. 6289

To amend the Internal Revenue Code of 1986 to increase the maximum reduction in estate tax value for farmland and other special use property, to restore and increase the estate tax deduction for family-owned business interests, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2008

Mr. CONAWAY introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the maximum reduction in estate tax value for farmland and other special use property, to restore and increase the estate tax deduction for family-owned business interests, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Save Family-Owned
5 Farms and Small Businesses Act of 2008”.

1 **SEC. 2. INCREASE IN MAXIMUM REDUCTION IN ESTATE TAX**
2 **VALUE FOR FARMLAND AND OTHER SPECIAL**
3 **USE PROPERTY UNDER 2032A.**

4 (a) IN GENERAL.—Subsection (a) of section 2032A
5 of the Internal Revenue Code of 1986 (relating to valu-
6 ation of certain farm, etc., real property) is amended—

7 (1) by striking “\$750,000” each place it ap-
8 pears and inserting “\$1,850,000”,

9 (2) by striking “after 1998” in paragraph (3)
10 and inserting “after 2009”, and

11 (3) by striking “1997” in paragraph (3)(B) and
12 inserting “2008”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to estates of decedents dying after
15 December 31, 2008.

16 **SEC. 3. RESTORATION OF, AND INCREASE IN, DEDUCTION**
17 **FOR FAMILY-OWNED BUSINESS INTERESTS.**

18 (a) RESTORATION.—Subsection (j) of section 2057 of
19 the Internal Revenue Code of 1986 (relating to termi-
20 nation) is amended to read as follows:

21 “(j) APPLICATION OF SECTION.—This section—

22 “(1) shall not apply to estates of decedents
23 dying after December 31, 2003, and before January
24 1, 2009, but

25 “(2) shall apply to estates of decedents dying
26 after December 31, 2008.”.

1 (b) INCREASE.—

2 (1) IN GENERAL.—Subsection (a) of section
3 2057 of such Code is amended—

4 (A) by striking “\$675,000” in paragraph
5 (2) and inserting “\$2,000,000”, and

6 (B) by striking paragraph (3).

7 (2) COST-OF-LIVING ADJUSTMENT.—Subsection
8 (a) of section 2057 of such Code is amended by add-
9 ing at the end the following new paragraph:

10 “(3) COST-OF-LIVING ADJUSTMENT.—In the
11 case of any decedent dying in a calendar year after
12 2009, the \$2,000,000 amount in paragraph (2) shall
13 be increased by an amount equal to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
16 mined under section 1(f)(3) for such calendar
17 year by substituting ‘calendar year 2008’ for
18 ‘calendar year 1992’ in subparagraph (B)
19 thereof.

20 If any amount as adjusted under the preceding sen-
21 tence is not a multiple of \$10,000, such amount
22 shall be rounded to the nearest multiple of
23 \$10,000.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to estates of decedents dying after
3 December 31, 2008.

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