

118TH CONGRESS
2D SESSION

H. R. 7749

To amend the Internal Revenue Code of 1986 to impose a tax on the net value of assets of a taxpayer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2024

Ms. JAYAPAL (for herself, Mr. BOYLE of Pennsylvania, Mr. BEYER, Mr. BOWMAN, Ms. BUSH, Ms. CHU, Mr. DAVIS of Illinois, Mr. EVANS, Mr. GARCÍA of Illinois, Mr. GOLDMAN of New York, Mr. GRIJALVA, Mr. IVEY, Mr. JACKSON of Illinois, Mr. JOHNSON of Georgia, Ms. LEE of California, Ms. LEE of Pennsylvania, Mr. MCGOVERN, Mr. NADLER, Ms. NORTON, Ms. OCASIO-CORTEZ, Ms. OMAR, Ms. PORTER, Ms. PRESSLEY, Mrs. RAMIREZ, Ms. SCHAKOWSKY, Mr. SCHIFF, Mr. SMITH of Washington, Mr. TAKANO, Ms. TLAIB, Ms. TOKUDA, Mr. TRONE, Ms. WATERS, Mrs. WATSON COLEMAN, and Ms. WILD) 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 impose a tax on the net value of assets of a taxpayer, 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 “Ultra-Millionaire Tax
5 Act of 2024”.

1 **SEC. 2. IMPOSITION OF WEALTH TAX.**

2 (a) IN GENERAL.—The Internal Revenue Code of
3 1986 is amended by inserting after subtitle B the fol-
4 lowing new subtitle:

5 **“Subtitle B–1—Wealth Tax**

“CHAPTER 18—DETERMINATION OF WEALTH TAX

6 **“CHAPTER 18—DETERMINATION OF**
7 **WEALTH TAX**

“Sec. 2901. Imposition of tax.

“Sec. 2902. Net value of taxable assets.

“Sec. 2903. Special rules.

“Sec. 2904. Information reporting.

“Sec. 2905. Enforcement.

8 **“SEC. 2901. IMPOSITION OF TAX.**

9 “(a) IN GENERAL.—In the case of an individual, a
10 tax is hereby imposed on the net value of all taxable assets
11 of the taxpayer on the last day of any calendar year.

12 “(b) COMPUTATION OF TAX.—

13 “(1) IN GENERAL.—The tax imposed by this
14 section shall be equal to the sum of—

15 “(A) 0 percent of so much of the net value
16 of all taxable assets of the taxpayer as does not
17 exceed the zero bracket threshold,

18 “(B) 2 percent of so much of the net value
19 of all taxable assets of the taxpayer in excess of
20 the zero bracket threshold but not in excess of
21 the top bracket threshold, plus

1 “(C) the applicable percentage of so much
2 of the net value of all such taxable assets of the
3 taxpayer in excess of the top bracket threshold.

4 “(2) ZERO BRACKET THRESHOLD; TOP BRACK-
5 ET THRESHOLD.—For purposes of this section—

6 “(A) ZERO BRACKET THRESHOLD.—The
7 zero bracket threshold is \$50,000,000.

8 “(B) TOP BRACKET THRESHOLD.—The
9 top bracket threshold is \$1,000,000,000.

10 “(c) APPLICABLE PERCENTAGE.—

11 “(1) IN GENERAL.—For purposes of this sec-
12 tion, the applicable percentage is—

13 “(A) except as provided in subparagraph
14 (B), 3 percent, and

15 “(B) in the case of any calendar year in
16 which there is in effect legislation which meets
17 the requirements of paragraph (2), 6 percent.

18 “(2) LEGISLATION DESCRIBED.—Legislation
19 meets the requirements of this paragraph if such
20 legislation—

21 “(A) establishes a health insurance pro-
22 gram that provides to all residents of the
23 United States comprehensive protection against
24 the costs of health care and health-related serv-
25 ices, and

1 “(B) prohibits private entities from pro-
2 viding duplicate benefits.

3 “(d) TREATMENT OF MARRIED INDIVIDUALS.—For
4 purposes of this section, individuals who are married (as
5 defined in section 7703) shall be treated as one taxpayer.

6 “(e) TREATMENT OF NONGRANTOR MULTIBENE-
7 FICIARY TRUSTS.—

8 “(1) IN GENERAL.—Any trust or portion of a
9 trust which is a nongrantor multibeneficiary trust
10 shall be treated as an individual to whom this chap-
11 ter applies.

12 “(2) COMPUTATION OF TAX.—

13 “(A) IN GENERAL.—In applying this chap-
14 ter to a nongrantor multibeneficiary trust—

15 “(i) the zero bracket threshold shall
16 be equal to the sum of—

17 “(I) \$0, plus

18 “(II) the lowest unused 0 percent
19 bracket amount assigned to the trust
20 by all beneficiaries of the trust, and

21 “(ii) the top bracket threshold shall be
22 equal to the sum of—

23 “(I) \$0, plus

1 “(II) the lowest unused 2 percent
2 bracket amount assigned to the trust
3 by all beneficiaries of the trust.

4 “(B) UNUSED 0 PERCENT BRACKET
5 AMOUNT.—For purposes of this paragraph, the
6 term ‘unused 0 percent bracket amount’ means,
7 with respect to any beneficiary for any calendar
8 year, the lesser of—

9 “(i) the excess (if any) of—

10 “(I) the zero bracket threshold,
11 over

12 “(II) the sum of—

13 “(aa) the net value of all
14 taxable assets of the beneficiary
15 for the calendar year, plus

16 “(bb) any unused 0 percent
17 bracket amount assigned by the
18 beneficiary to other nongrantor
19 multibeneficiary trusts, or

20 “(ii) the portion of the net value of all
21 taxable assets of the trust which such ben-
22 eficiary is eligible to receive.

23 “(C) UNUSED 2 PERCENT BRACKET
24 AMOUNT.—For purposes of this paragraph, the
25 term ‘unused 2 percent bracket amount’ means,

1 with respect to any beneficiary for any calendar
2 year, the lesser of—

3 “(i) the excess (if any) of—

4 “(I) the top bracket threshold re-
5 duced by the zero bracket threshold,
6 over

7 “(II) the sum of—

8 “(aa) the net value of all
9 taxable assets of the beneficiary
10 for the calendar year in excess of
11 the zero bracket threshold, plus

12 “(bb) any unused 2 percent
13 bracket amount assigned by the
14 beneficiary to other nongrantor
15 multibeneficiary trusts, or

16 “(ii) the portion of the net value of all
17 taxable assets of the trust which such ben-
18 eficiary is eligible to receive.

19 “(D) ASSIGNMENT OF AMOUNTS.—The as-
20 signment of any amount of unused 0 percent
21 bracket amount and unused 2 percent bracket
22 amount shall be made at such time and in such
23 manner as specified by the Secretary in regula-
24 tions. In any case in which no affirmative as-

1 signment is made by a beneficiary, the amount
2 assigned shall be \$0.

3 “(3) NONGRANTOR MULTIBENEFICIARY
4 TRUST.—For purposes of this chapter—

5 “(A) IN GENERAL.—The term ‘nongrantor
6 multibeneficiary trust’ means any trust or por-
7 tion of a trust—

8 “(i) with respect to which no person is
9 treated as an owner under subpart E of
10 subchapter J of chapter 1,

11 “(ii) no property of which is attrib-
12 utable to a gratuitous transfer of assets by
13 a person who is subject to tax under this
14 chapter for the calendar year, and

15 “(iii) which has more than one bene-
16 ficiary (determined as of the last day of
17 the calendar year).

18 “(B) EXCEPTION.—Such term shall not in-
19 clude—

20 “(i) any trust described in section
21 401(a) and exempt from tax under section
22 501(a),

23 “(ii) any trust all of the unexpired in-
24 terests in which are devoted to one or more

1 of the purposes described in section
2 170(e)(2)(B),

3 “(iii) any charitable lead annuity trust
4 (as defined in section 2642(e)(3)) or chari-
5 table lead unitrust, or

6 “(iv) any charitable annuity remain-
7 der trust (as defined in section 664(d)(1))
8 or any charitable remainder unitrust (as
9 defined in section 664(d)(2)).

10 “(C) BENEFICIARY.—The term ‘bene-
11 ficiary’ shall not include any person whose in-
12 terest in a trust is contingent on the death of
13 another person with an interest in such trust.

14 **“SEC. 2902. NET VALUE OF TAXABLE ASSETS.**

15 “(a) IN GENERAL.—For purposes of this subtitle, the
16 term ‘net value of all taxable assets’ means, as of any date,
17 the value of all property of the taxpayer (other than prop-
18 erty excluded under subsection (b)), real or personal, tan-
19 gible or intangible, wherever situated, reduced by any
20 debts (including any debts secured by property excluded
21 under subsection (b)) owed by the taxpayer.

22 “(b) EXCLUSION FOR CERTAIN ASSETS.—Property
23 of the taxpayer shall not be taken into account under sub-
24 section (a) if such property—

1 “(1) has a value of \$50,000 or less (determined
2 without regard to any debt owed by the taxpayer
3 with respect to such property),

4 “(2) is tangible personal property, and

5 “(3) is not property—

6 “(A) which is used in a trade or business
7 of the taxpayer,

8 “(B) in connection with which a deduction
9 is allowable under section 212, or

10 “(C) which is a collectible as defined in
11 section 408(m), a boat, an aircraft, a mobile
12 home, a trailer, a vehicle, or an antique or other
13 asset that maintains or increases its value over
14 time (within the meaning of section 5.02(2) of
15 Revenue Procedure 2018–08).

16 “(c) RULES FOR DETERMINING PROPERTY OF THE
17 TAXPAYER.—For purposes of this subtitle—

18 “(1) PROPERTY INCLUDED IN ESTATE.—Any
19 property that would be included in the estate of the
20 taxpayer if the taxpayer died shall be treated as
21 property of the taxpayer.

22 “(2) INCLUSION OF CERTAIN GIFTS.—Any
23 property transferred by the taxpayer after the date
24 of the enactment of this chapter, to an individual
25 who is a member of the family of the taxpayer (as

1 determined under section 267(c)(4)) and has not at-
2 tained the age of 18 shall be treated as property of
3 the taxpayer for any calendar year before the year
4 in which such individual attains the age of 18.

5 “(3) ATTRIBUTION OF PROPERTY HELD BY
6 TRUSTS.—

7 “(A) GRANTOR TRUSTS.—If an individual
8 is treated as the owner of any portion of a trust
9 under subpart E of subchapter J of chapter 1,
10 property attributable to such trust or portion of
11 the trust shall be treated as property of the in-
12 dividual and not as property of the trust.

13 “(B) NONGRANTOR TRUSTS.—

14 “(i) IN GENERAL.—In the case of a
15 trust or portion of a trust which is not de-
16 scribed in subparagraph (A), any property
17 which is attributable to a gratuitous trans-
18 fer of assets by an individual who is sub-
19 ject to tax under this chapter for the cal-
20 endar year shall be treated as property of
21 such individual and not as property of the
22 trust.

23 “(ii) OTHER TRUSTS.—

24 “(I) IN GENERAL.—In the case
25 of any trust or portion of a trust

1 which is described in subclause (II),
2 the property of such trust shall be
3 treated as the property of the bene-
4 ficiary of such trust and not as the
5 property of the trust.

6 “(II) TRUSTS TO WHICH THIS
7 SUBCLAUSE APPLIES.—A trust is de-
8 scribed in this subclause if such trust
9 not described in subparagraph (A),
10 the assets of such trust are not attrib-
11 utable to a gratuitous transfer of as-
12 sets by a person who is subject to tax
13 under this chapter for the calendar
14 year, and such trust has a single ben-
15 efiary (determined as of the last day
16 of the calendar year).

17 “(C) RIGHT OF RECOVERY.—

18 “(i) IN GENERAL.—If any part of the
19 net value of taxable assets of an individual
20 on which tax has been paid consists of the
21 value of property held by a trust which is
22 included in the net value of taxable assets
23 of such individual by reason of subpara-
24 graph (B), then such individual shall be
25 entitled to recover from the trust the

1 amount which bears the same ratio to the
2 recoverable amount as—

3 “(I) the value of such property,
4 bears to

5 “(II) the net value of taxable as-
6 sets of the taxpayer.

7 “(ii) RECOVERABLE AMOUNT.—For
8 purposes of clause (i), the recoverable
9 amount with respect to any trust is the ex-
10 cess of—

11 “(I) the tax imposed under this
12 chapter for the calendar year on the
13 individual, over

14 “(II) the amount of such tax
15 which would be imposed for such cal-
16 endar year on such individual if no
17 property held by such trust were in-
18 cluded in the net value of taxable as-
19 sets of the individual.

20 “(iii) TREATMENT WHERE NO RECOV-
21 ERY.—In any case where a trust does not
22 reimburse any taxpayer as provided in
23 clause (i), the taxpayer shall be treated for
24 purposes of this chapter as having made a
25 gratuitous transfer to the trust in an

1 amount equal to the amount determined
2 under clause (i). Such transfer shall be
3 treated as having been made on the last
4 day of the calendar year for which the tax
5 under subsection (a) was due.

6 “(4) TREATMENT OF ASSETS HELD BY CERTAIN
7 SPLIT-INTEREST TRUSTS.—

8 “(A) REMAINDER INTERESTS IN CHARITABLE
9 REMAINDER ANNUITY TRUSTS AND
10 CHARITABLE REMAINDER UNITRUSTS.—In the
11 case of any charitable remainder annuity trust
12 (as defined in section 664(d)(1)) or of a charitable
13 remainder unitrust (as defined in section
14 664(d)(2))—

15 “(i) the present value of any remainder
16 interest shall not be taken into account
17 under subsection (a), and

18 “(ii) the present value of any other interests
19 shall be taken in account under
20 subsection (a), in accordance with regulations
21 promulgated by the Secretary, as the
22 property of the beneficiaries of such interests.
23

24 “(B) CHARITABLE LEAD ANNUITY TRUSTS
25 AND CHARITABLE LEAD UNITRUSTS.—In the

1 case of a charitable lead annuity trust (as de-
2 fined in section 2642(e)(3)) or a charitable lead
3 unitrust—

4 “(i) the present value of any interest
5 described in section 2522(c)(2)(B) shall
6 not be taken into account under subsection
7 (a), and

8 “(ii) notwithstanding paragraphs (A)
9 and (B) of paragraph (3), the present
10 value of any remainder interest shall be
11 taken into account under subsection (a), in
12 accordance with regulations promulgated
13 by the Secretary, as the property of the
14 beneficiaries of such remainder interest.

15 “(d) ESTABLISHMENT OF VALUATION RULES.—Not
16 later than 12 months after the date of the enactment of
17 this section, the Secretary shall establish rules and meth-
18 ods for determining the value of any asset for purposes
19 of this subtitle, including rules for the valuation of assets
20 that are not publicly traded or that do not have a readily
21 ascertainable value. Such rules and methods—

22 “(1) may utilize retrospective and prospective
23 formulaic valuation methods not currently in use by
24 the Secretary,

1 “(2) may require the use of formulaic valuation
2 approaches for designated assets, including
3 formulaic approaches based on proxies for deter-
4 mining presumptive valuations, formulaic approaches
5 based on prospective adjustments from purchase
6 prices or other prior events, or formulaic approaches
7 based on retrospectively adding deferral charges
8 based on eventual sale prices or other specified later
9 events indicative of valuation, and

10 “(3) may address the use of valuation dis-
11 counts.

12 **“SEC. 2903. SPECIAL RULES.**

13 “(a) DECEASED INDIVIDUALS.—

14 “(1) IN GENERAL.—In the case of any indi-
15 vidual who dies during a calendar year and who is
16 not married on the date of such individual’s death—

17 “(A) section 2901(a) shall be applied by
18 substituting ‘the date of the individual’s death’
19 for ‘the last day of the calendar year’, and

20 “(B) the amount of the tax imposed under
21 such section shall be reduced by an amount
22 which bears the same ratio to such amount (de-
23 termined without regard to this subsection)
24 as—

1 “(i) the number of days in the cal-
2 endar year after the date of the individ-
3 ual’s death, bears to

4 “(ii) 365.

5 “(2) COORDINATION WITH ESTATE TAX.—For
6 purposes of section 2053, the tax imposed by this
7 section for the year of the decedent’s death shall be
8 considered to have been imposed before such death.

9 “(b) APPLICATION TO NON-RESIDENTS.—In the case
10 of any individual who is a non-resident and not a citizen
11 of the United States, this subtitle shall apply only to the
12 property of such individual which is situated in the United
13 States (determined under rules similar to the rules under
14 subchapter B of chapter 11).

15 “(c) APPLICATION TO COVERED EXPATRIATES.—In
16 the case of an individual who is a covered expatriate (as
17 defined in section 877A), section 2901(a) shall be ap-
18 plied—

19 “(1) as if the calendar year ended on the day
20 before the expatriation, and

21 “(2) as if the rate of tax under both subpara-
22 graphs (A) and (B) of section 2901(b)(1) were 40
23 percent.

1 **“SEC. 2904. INFORMATION REPORTING.**

2 “(a) IN GENERAL.—Not later than 12 months after
3 the date of the enactment of this section, the Secretary
4 shall by regulations require the reporting of any informa-
5 tion concerning the net value of assets appropriate to en-
6 force the tax imposed by this chapter.

7 “(b) METHOD OF REPORTING.—The Secretary shall,
8 where appropriate, require the reporting made under sub-
9 section (a) to be made as a part of existing income report-
10 ing requirements (including requirements under chapter
11 4 (relating to taxes to enforce reporting on certain foreign
12 accounts)).

13 “(c) RESPONSIBILITY FOR REPORTING.—The Sec-
14 retary may impose reporting obligations by reference to
15 the ownership, control, management, claim to income
16 from, or other relationship to assets and liabilities for pur-
17 poses of administering the tax imposed by this section and
18 may impose such obligations on financial institutions,
19 business entities, or other persons, including requiring
20 business entities to provide estimates of the value of the
21 entity itself.

22 **“SEC. 2905. ENFORCEMENT.**

23 “The Secretary shall annually audit not less than 30
24 percent of taxpayers required to pay the tax imposed
25 under this chapter.”.

1 (b) NO DEDUCTION FROM INCOME TAXES.—Section
2 275 of the Internal Revenue Code of 1986 is amended by
3 inserting after paragraph (6) the following new paragraph:

4 “(7) Taxes imposed by chapter 18.”.

5 (c) EXTENSION OF TIME FOR PAYMENT OF TAX.—

6 (1) IN GENERAL.—Section 6161(a) of the In-
7 ternal Revenue Code of 1986 is amended by adding
8 at the end the following new paragraph:

9 “(3) WEALTH TAX.—

10 “(A) IN GENERAL.—In the case of tax-
11 payer described in subparagraph (B), the Sec-
12 retary may extend the time for payment of the
13 tax imposed under chapter 18 for a reasonable
14 period not to exceed 5 years from the date fixed
15 for the payment thereof.

16 “(B) TAXPAYERS DESCRIBED.—A taxpayer
17 is described in this subparagraph if such the
18 Secretary determines—

19 “(i) the taxpayer has severe liquidity
20 constraints, or

21 “(ii) immediate payment would cause
22 undue hardship on an ongoing enter-
23 prise.”.

24 (2) RULES.—Not later than 12 months after
25 the date of the enactment of this Act, the Secretary

1 of the Treasury (or the Secretary's delegate) shall
2 establish rules for the application of the amend-
3 ments made by paragraph (1).

4 (d) APPLICATION OF ACCURACY RELATED PEN-
5 ALTIES.—

6 (1) IN GENERAL.—Section 6662(b) of the In-
7 ternal Revenue Code of 1986 is amended by adding
8 at the end the following new paragraph:

9 “(10) Any substantial wealth tax valuation un-
10 derstatement.”.

11 (2) SUBSTANTIAL WEALTH TAX UNDERSTATE-
12 MENT.—Section 6662 of such Code is amended by
13 adding at the end the following new subsection:

14 “(m) APPLICATION TO SUBSTANTIAL WEALTH TAX
15 VALUATION UNDERSTATEMENT.—

16 “(1) SUBSTANTIAL WEALTH TAX VALUATION
17 UNDERSTATEMENT DEFINED.—

18 “(A) IN GENERAL.—For purposes of this
19 section, there is a substantial wealth tax valu-
20 ation understatement if the value of any prop-
21 erty claimed on any return of tax imposed by
22 subtitle B–1 is 65 percent or less of the amount
23 determined to be the correct amount of such
24 valuation.

1 “(B) LIMITATION.—No penalty shall be
2 imposed by reason of subsection (b)(10) unless
3 the portion of the underpayment attributable to
4 substantial wealth tax valuation understate-
5 ments for the calendar year exceeds \$5,000.

6 “(2) INCREASED PENALTY.—

7 “(A) IN GENERAL.—In the case of any
8 portion of an underpayment which is attrib-
9 utable to one or more substantial wealth tax
10 valuation understatement, subsection (a) shall
11 be applied—

12 “(i) in the case of a substantial wealth
13 tax valuation understatement which is a
14 gross wealth tax valuation misstatement,
15 by substituting ‘50 percent’ for ‘20 per-
16 cent’, and

17 “(ii) in any other case, by substituting
18 ‘30 percent’ for ‘20 percent’.

19 “(B) GROSS WEALTH TAX VALUATION
20 MISSTATEMENT.—For purposes of subpara-
21 graph (A), the term ‘gross wealth tax valuation
22 misstatement’ means a substantial wealth tax
23 valuation understatement, as determined under
24 paragraph (1) by substituting ‘40 percent’ for
25 ‘65 percent’.”.

1 (e) CLERICAL AMENDMENT.—The table of subtitles
2 of such Code is amended by inserting after the item relat-
3 ing to subtitle B the following new item:

“Subtitle B-1—Wealth Tax”.

4 (f) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to calendar years beginning after
6 December 31, 2024.

7 (g) PERIODIC REPORTS.—Not later than January 1,
8 2027, and every 2 years thereafter, the Secretary of the
9 Treasury (or the Secretary’s delegate) shall submit to
10 Congress a report on the tax imposed under chapter 18
11 of the Internal Revenue Code of 1986 (as added by this
12 Act), including any issues related to the administration
13 and enforcement of such tax.

14 **SEC. 3. STRENGTHENING DISCLOSURE REQUIREMENTS.**

15 (a) REGULATORY AUTHORITY.—The Secretary of the
16 Treasury (or the Secretary’s delegate) may issue such
17 rules and regulations as necessary to prevent taxpayers
18 from avoiding the purpose of information reporting re-
19 quirements under the Internal Revenue Code of 1986 by
20 placing assets in any foreign corporation, partnership, or
21 trust in which the taxpayer holds directly or indirectly,
22 a significant interest as the sole or principal owner or the
23 sole or principal beneficial owner.

24 (b) FATCA ENFORCEMENT PLAN.—The Secretary
25 of the Treasury (or the Secretary’s delegate) shall develop

1 a comprehensive plan for managing efforts to leverage
2 data collected under chapter 4 of the Internal Revenue
3 Code of 1986 in agency compliance efforts. Such plan
4 shall include an evaluation of the extent to which actions
5 being undertaken as of the date of the enactment of this
6 Act for the enforcement of the requirements of such chap-
7 ter improve voluntary compliance and address noncompli-
8 ance with such requirements.

9 **SEC. 4. INTERNAL REVENUE SERVICE FUNDING.**

10 (a) IN GENERAL.—Subchapter A of chapter 80 of the
11 Internal Revenue Code of 1986 is amended by adding at
12 the end the following new section:

13 **“SEC. 7813. AUTHORIZATION OF APPROPRIATIONS.**

14 “There are authorized to be appropriated to the Sec-
15 retary for the period of fiscal years 2024 through 2034—

16 “(1) for enforcement of this title,
17 \$70,000,000,000,

18 “(2) for taxpayer services, \$10,000,000,000,

19 and

20 “(3) for business system modernization,
21 \$20,000,000,000.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for subchapter A of chapter 80 of the Internal Revenue

- 1 Code of 1986 is amended by adding at the end the fol-
- 2 lowing new item:

“Sec. 7813. Authorization of appropriations.”.

