The Proposed Inheritance Tax and Its Impact On China's Economy

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I. INTRODUCTION

“To get rich is glorious,” words spoken by famous Chinese leader Deng Xiaoping in an attempt to inject capitalism into the rigid communist state China had then become.¹ It was in this speech where Xiaoping encouraged people to emancipate their minds, seek the truth, and pursue modernization as an attempt to tackle the problems the country faced.² It was these reforms that lead to the new modernized China, and opened the country to the outside world where they have since been one of the largest economic players.³ This drive for success and investment also has had its downside in recent years as heavy borrowing that was intended to fuel this growth has now lead to heavy government debt, with the national debt doubling in just the past two years.⁴ In an attempt to solve this problem, along with many others faced by China, the Chinese government has proposed implementing their first ever inheritance tax.⁵ This comment will provide a background on the histories of China’s recent successes, the current Chinese inheritance law, and inheritance taxes in general, followed by China’s goals in implementing their proposed inheritance tax and finally analyzing China’s proposed inheritance tax with the goals they wish to accomplish.

II. BACKGROUND

A. CHINESE HISTORY

The belief that Chinese economic success is a much recent phenomena is not completely accurate. Both the Ming (1368 – 1644) and Qing (1644 – 1912) dynasties saw fantastic economic success as estimates show China producing nearly a third of all global output as recently as the early 1800’s.⁶ The strong industrial revolution of Europe and North America changed all of that, and by the 1950’s China was far from the prosperous country it had been a
century before. It was during this time of struggle when, in 1949, the Chinese Communist party took control and created the People’s Republic of China under the rule of leader Mao Zedong.

From the beginning of communist rule, China attempted to impose a strict central command economy where most market forces were eliminated, jobs and most consumer goods were allocated by the government, and industrial input and outputs were determined by the state government and not the market. During this time, the economy in China was a disaster, and although little information on the true state of the Chinese economy leaked what did leak showed just how poorly their economy was doing.

Upon the death of Zedong in 1976, and the subsequent leadership of Xiaoping, Chinese reform to open up their economy to foreign investment transformed the Chinese economy at a pace that had never been seen before. Since implementing free market reforms in 1979, the Chinese Gross Domestic Product (GDP) has grown at an average of ten percent per year, and in late 2014 China overtook the United States as the largest economy in the world. Even with all of the good news, the Chinese economy has lately been showing signs of wearing down as projected growth is down to seven percent for 2015. Further problematic is the fact that income inequality in China has been growing rapidly, and the gap between the rich and the poor is now worse in China than in the United States. This inequality is proved further by the fact that the extremely rich are more powerful in China than the United States as well, as the Chinese top one percent control over a third of wealth in China, compared to the United States top one percent who control just over nineteen percent. Finally, as mentioned earlier, although China remains very prosperous, the rapid rate that their debt has increased has also been cause for concern. These concerns have led China to look for solutions to the problems, with one being implementing their first inheritance tax.
B. CHINESE INHERITANCE LAW AS IT STANDS TODAY

Currently, China has no inheritance tax; but as early as 2004, China drafted a law that would enable the country to collect their first ever inheritance tax, and debate both for and against the inheritance tax has been strong ever since.\textsuperscript{19} Reasons for the lack of an inheritance tax have been cultural and also legal. Culturally, a strong inheritance tax goes against the traditional Chinese belief that children are to take care of their parents as they get older, and in doing so the parents will leave the children their property upon death.\textsuperscript{20} Further, Chinese citizens who wish to live in the more free market modernized China oppose the inheritance tax because it is viewed as an abolition of the freedom of disposition, and therefore results in distribution of all property to the state upon death, which is one of the foundational political goals of a communist nation as described by Karl Marx in his book \textit{Communist Manifesto}.\textsuperscript{21} Legally, there have been many obstacles that must be overcome before the proposed inheritance tax can be implemented. One of the biggest legal issues is the fact that in China property owners have no real title to their land, and instead only have access to the land for seventy years as everything in the country is still “collectively owned.”\textsuperscript{22} Although this “lease” may be automatically extended there is still a problem, and the costs of extension are also not known.\textsuperscript{23} The country also has very limited information about a citizen’s true income, so learning the amount of inheritance will pose a struggle until China can implement improved systems.\textsuperscript{24} Further, a Cabinet Advisor to the Chinese State Council says that it would be another three to four decades before any sort of inheritance tax could actually be levied.\textsuperscript{25}

The Chinese government however hopes that all of the benefits of the inheritance tax will far outweigh all of the negative criticism. By implementing the tax, the Chinese government believes that the tax will reduce the rising wealth of the extremely rich, thereby reducing the
ever-growing gap between the country’s richest and the country’s poorest, thereby making China more income equal. In reducing this massive and growing income gap, the government also hopes the tax will improve social mobility in the country for all people, a part of the government’s overall plan to adjust income distribution. The inheritance tax will also be collected by the government as a way to collect revenue in an attempt to curb their rapidly increasing debt. The tax itself, which was revised in 2011, would be set out as follows. There is a base exemption of 200,000 Yuan Renimbi for all individuals, making any estate under that value at death exempt from the tax. At current market values, this exemption threshold is the equivalent of just over 32,000 U.S. Dollars (USD). Further, Article VI allows up to 500,000 Yuan Renimbi excluded from the taxable value of certain housing of the decedent. This means that the cut-off amount on an estate before which the estate must pay inheritance taxes will be at a maximum 700,000 Yuan Renimbi, the current equivalent of just over 112,000 USD.

III. INHERITANCE TAXES

In order to understand why China wants to enact an inheritance tax as a way to raise revenues and solve national issues it is important to know a little about inheritance in general. In order to do know why they believe an inheritance tax can fix their national problems it is important to understand the ways that other countries have enacted inheritance taxes and what they have used these taxes to accomplish.

A. HISTORY OF INHERITANCE AND INHERITANCE TAXES

Inheritance is defined as “money, property, etc., that is received from someone when that person dies.” Although many people may think that the right to inherit is a natural right of life, it is actually a creature of law and therefore it is a privilege that may have conditions imposed
upon it. \textsuperscript{35} Laws covering how to deal with the problems of inheritance have been found within some of the earliest known sources of law from the ancient world. \textsuperscript{36} One of the earliest known systems of inheritance is that of the ancient Egyptians in which the oldest son was to inherit all of the property left by his father upon his father’s death, and in return the son has a duty to bury the father and to take care of all remaining family members. \textsuperscript{37} Egyptians further expanded this system after seeing the problems that could arise, and were among the first to develop a system of wills which were a written declaration of intent by the father that could overrule the legal succession in the instance there were no sons, or the that father believed the oldest son was not suited to inherit the land. \textsuperscript{38} In modern succession, almost all nations allow the decedent to determine succession entirely based up their will, however if the decedent left no will, the laws of intestate succession in that nation will determine who will inherit the property. \textsuperscript{39} The group of potential successors would depend upon the laws of succession in the nation of the decedent, and could be down the either the father’s line or mother’s line of inheritance, and could go to either the sons entirely, the daughters entirely, or both equally. \textsuperscript{40} Although the laws of intestate succession have greatly developed over time, distribution to the son of all real property upon death still dominates the mode of legal succession in a large majority of countries around the world. \textsuperscript{41}

Inheritance laws have been around throughout much of human history, and the same can be said about inheritance taxes. \textsuperscript{42} The first known record of an inheritance tax appears as early as 700 B.C. in Egypt where there was a ten percent tax imposed upon the transfer of property at death. \textsuperscript{43} Under Augustus, the Roman Empire’s first ruler, the first know Roman inheritance tax was levied. \textsuperscript{44} This first inheritance tax however was very minimal as it was a mere five percent tax that only impacted distributions through wills, and was only levied upon a small group of
people that were not excluded from paying the inheritance tax, as most close relatives were exempt from paying the tax as their inheritance was viewed as a “reward” and therefore not taxed. Similar to many modern inheritance taxes, it is believe that this Roman Empire tax also had a exemption threshold level at which people who left smaller estates would not be subject to pay the five percent taxes no matter who they devised their property to in their will. The revenues that the Roman Empire collected from this inheritance tax were primarily used, along with a small sales tax, to provide for military spending and to provide military benefits. Although the Roman Empire’s inheritance tax was a very progressive tax for its time, taxes in the Roman Empire were not a major source of revenue for the Empire as individuals within the empire did not have to pay an individual or head tax, it was mostly the conquered people who had to pay a tax. Further, taxes in the Roman Empire were just a small percentage of the Roman Empire’s GDP when compared to nations today, as total tax revenue was only ten percent of the Roman Empire’s GDP, compared to modern totals of twenty-four percent of total GDP in the United States, and an average of over thirty-three percent of GDP in all other Organization for Economic Cooperation and Development (OECD) nations. Although the Roman Empire may have ultimately collapsed in 476 A.D., the political structures and ideas of the Roman Empire were not lost after the collapse as many countries today still implement some of the political ideas, such as the inheritance tax, that were first adopted by the Roman Empire.

B. **Why Inheritance Taxes Have Been Used**

1. **Provide Revenue and Narrow the Gap Between The Rich and The Poor**

Inheritance taxes have been used by many nations for many different reasons, but one reason for the tax is shared among all nations, they are an important part of revenue for the nations that enforce the tax. Another one of the largest reasons cited for the value of an
inheritance tax is that it breaks up large concentrations of wealth.\textsuperscript{53} The inheritance tax is one of the most progressive parts of the United States tax code, and only impacts those who could pay the most.\textsuperscript{54} In fact, just fewer than two percent of estates will pay a tax upon death, whereas almost seventy percent of families and single individuals will owe income tax every year.\textsuperscript{55} Many believe that the rich owe more to the government naturally, as President Theodore Roosevelt once said, “the man of great wealth owes a particular obligation to the State because he derives special advantages from the mere existence of governments.”\textsuperscript{56} There are many more reasons why to break up wealth besides merely the fact some believe the wealthy owe the government more. By breaking up large powers, and thereby reducing income inequality, more people have an opportunity for economic success, and this opportunity produces greater social and economic gains for the country.\textsuperscript{57} Further, it has been shown nations with higher inequality have worse social problems than more equal countries such as physical and mental illness, violence, lower math scores, more drug abuse, high rates of teen pregnancy, and higher rates of imprisonment.\textsuperscript{58} Also, as few people have more power, they will be able to have more control of the political nature of a country, as those who control the wealth will be able to control the country that governs it.\textsuperscript{59} Different things can occur by the wealthy have more control of the government, but one big danger is that it will lower the income of those without the power, and those without the power will lose their share in democracy.\textsuperscript{60} Another big fear of a small few controlling the government through their wealth is the risk of a corrupt and oppressive government, and that no matter the opportunities that may present themselves, they will fail due to lack of a stable government.\textsuperscript{61}

2. \textit{Prevent Windfall Inheritances}
Another large reason cited by those in favor of inheritance taxes is that it prevents a large windfall of inherited wealth to the recipient of the inheritance. Proponents of the inheritance tax also feel that by inheriting this large sum of money, which would be even larger without the tax, they are reducing the motivation to work hard to earn their money, something that goes against the basic principals of capitalism. By taxing those that received the money by windfall, and not through earning it, they believe the tax system is much more fair, a common goal of almost all national tax systems.

3. Tax Appreciated Capital Assets

Finally, there are a few other reasons cited by proponents of an inheritance tax for why it is necessary. One big reason is that many argue that the inheritance may be in the form of appreciated capital assets, which have not yet been taxed on their gains. Due to the stepped-up value of assets transferred upon the death of an individual, if these assets were not taxed along with the estate, the appreciation in value of these assets would never be taxed if there were no inheritance tax. This is one of the biggest reasons the inheritance tax was enacted in the United States in 1916, to serve as a “backstop” to the national income tax, and tax wealth that otherwise would have never been taxed. Another reason is that it will promote individuals to leave assets to charities before their death as they will receive charitable deductions, and these items will not be included in the estate taxed upon death. There are many reasons why it is important to incentivize giving to charity, but possible the most important is that it can benefit the society of a country as a whole.

C. Criticisms of Inheritance Taxes

1. High Costs of Implementing
Inheritance taxes have always been a hotly contested issue, and for every reason to enact inheritance taxes, there are many reasons why people believe inheritance taxes should be abolished. One of the biggest arguments against the estate tax in the United States is that the costs of implementing the tax cost the United States almost as much as the revenue they receive from the tax.\(^{70}\) Due to the already low number of those mentioned earlier that actually pay the tax, and their vast wealth being able afford the highest quality estate planning, many of those whom the tax was made for have been able to avoid paying the estate tax upon death completely.\(^{71}\) The tax is very complex, and this complexity not only allows those whom the tax was made for able to avoid it, but it also makes the inheritance tax one of the most inefficient features of the tax system.\(^{72}\) In fact studies have shown that there is a possibility that the tax alone has actually cost the government money, thereby making the government worse off.\(^{73}\) Therefore, many think that the inheritance tax at best delivers very little bang for its buck, and at worst is actually costing the government money to enforce it, thereby making the nation, the government, and it citizens worse off by having an inheritance tax.\(^{74}\)

2. **Harm Small Businesses**

Critics of the inheritance tax also say that it is import to repeal any inheritance taxes because they are very harmful to family owned small businesses, the backbone of any economy.\(^{75}\) Many of these small businesses are liable to pay the inheritance tax because of the value of the business, but they are actually asset rich, and cash poor.\(^{76}\) When these owners die, the government will ask for a large percentage of their wealth, much of which is actually tied up in the business itself, but the children cannot give the assets of the business to the government, only cash, and therein lays a major problem.\(^{77}\) This inheritance tax will burden the next generation who are not as equipped to run the business as they will lose many assets necessary to
continue on the business. These new owners are faced with a major problem, finding the cash equivalent of nearly forty percent of these business, and now have only a few ways to deal with this. One way that they can do this is to take out a loan with a bank using the business as collateral, the business will then be making a much smaller return after paying off principal and interest, and may actually be operating at break even point for nearly a generation. Instead of taking on the risk of a loan, it is likely the small business just sells off their assets, if they are liquid and there is a market, and would then use this cash from selling nearly half of their business to pay the government, and continue on with almost only half the size of the business the had before the death. This option not only impacts the children, as by running only half a business their future income will now be much lower, thereby meaning the tax impacts multiple generations, but this will also impact the community as a whole as there will be less jobs, less capital, less growth and fewer businesses in the community, thereby having the tax impact the community as a whole and not just the family of the deceased.

Of course, both selling half the business and continuing, and also taking out the loan are not the most financially wise decisions, and so it is likely that the next generation will be forced to choose another option of how to pay the inheritance tax. In order to pay the tax, the next generation may likely be forced to sell the business to a large corporation, and use the proceeds from that sale to pay the government the tax. Although there are benefits to corporate stores, there are many economic benefits that small businesses bring to help the community grow and encourage local prosperity. Small businesses are likely to invest more in the community, and put local taxes to better use by keeping it within the community and using them for the needs of the community. Small businesses are also more able to adapt to the community or the customer, and listen to the needs of that community, thereby being a more efficient business for
that community.\textsuperscript{86} Lastly, small businesses show their connection to the community as studies have shown that small businesses are less likely to lay off employees in already bad economic circumstances thereby helping the community from going into even worse economic conditions.\textsuperscript{87}

3. \textit{Do Not Accomplish Many of the Goals Said To Accomplish}

Critics also cite a few other reasons for the repeal of the inheritance tax. One is that the inheritance tax does not actually improve social mobility.\textsuperscript{88} Inherited wealth has only been shown to help those in the lower percentiles of wealth as over eight-five percent of millionaires have reported that they made their wealth, not from inheritance, but rather from their own hard work.\textsuperscript{89} Others also contend that the inheritance tax can reduce the tax base in the nation where it is implemented because they fear the rich will migrate out of the country to avoid the harsh impact of the inheritance tax.\textsuperscript{90}

This migration fear is two-fold, it would not only lower the tax base, and get rid of some of the largest tax paying individuals thereby lowering national revenue, but it would also negatively impact the available capital for investment as those who would migrate would be the ones most likely to provide capital to the businesses in the nation, and this migration would then also hurt the national economy as a whole.\textsuperscript{91} Even though there may be many tricks to lowering or avoid paying the inheritance tax, flat out migrating out of the jurisdiction imposing the inheritance tax will always be the most effective way to avoid having to pay the inheritance tax.\textsuperscript{92} Further, there are those who argue that an inheritance tax is morally wrong, as death is not only an inappropriate time to tax someone, but that it also goes against the free market principal of being able to choose where your money goes, something that is impossible to do after you are dead.\textsuperscript{93} Finally, as always there are also those who are critical of the inheritance tax calling it a
bad tax because not only is it a tax in general, and not only that because the tax is imposed not upon the creation of the wealth, like an income tax, but solely upon the death of the individual who owned it, and may have already been taxed upon it once before.94

**D. INHERITANCE TAXES AROUND THE WORLD**

Although it is not known if the Romans or the Egyptians influenced the spread of inheritance tax more, it is know that the inheritance tax is one of the oldest forms of taxation.95 Currently, there are twenty-three major economies around the world that have some sort of tax that occurs upon death.96 Of all the countries with inheritance taxes, the European ones are the most likely to charge the highest tax on transfers at death, with a rate that is nearly double the global average.97 Looking at the taxes as a whole there is one thing that they mostly have in common, and another that differentiates the taxes from each other.98 Most inheritance taxes do not asses a tax on the transfer of an estate to the part of the estate that is going to the remaining surviving spouse, if there is one.99 Second, the biggest thing that differentiates the inheritance taxes of countries is the rate of tax and the threshold at which the estate will begin being taxed.100 This is very important as it not only determines how much the estate will be taxed, but also who will have to pay a tax, if it will just be the very wealthy, or everyone but the lower class.101 In reviewing the different types of inheritance taxes from countries around the world, the benefits, detriments and reasons for imposing an inheritance tax in the first place should become much more clear.

1. **United Kingdom**

In 1796, the United Kingdom introduced their first inheritance tax with the goal to protect the poorer citizens and interrupt the legacy of inherited wealth that had been going on in the United Kingdom prior.102 Recent history of the inheritance tax in the United Kingdom involves
the introduction of the Capital Transfer Tax in 1975, which was renamed the Inheritance Tax in 1986, and further changing the process of leaving part of the estate to the surviving spouse in 2007.\textsuperscript{103}

At the moment, the United Kingdom has one of the highest inheritance tax rates in the world, second behind only Ireland.\textsuperscript{104} Part of what makes the inheritance tax is the United Kingdom is that they have such a low threshold for those who must pay, or what the government calls the “nil-rate.”\textsuperscript{105} Currently the “nil-rate” in the United Kingdom is only 325,000 Euros, which is the equivalent of 366,000 USD.\textsuperscript{106} This threshold impacts many people because it is so low, and is actually lower than the average home value in London, which is just over 400,000 Euros, and just barely above the price of an average house in the United Kingdom which is 250,000 Euros.\textsuperscript{107} Further, that low threshold will not change for at least awhile as the government froze the threshold level at 325,000 Euros until at least April 5, 2018.\textsuperscript{108} This low threshold level though may disappear soon after the freeze as current Prime Minister David Cameron has proposed increasing the threshold after the freeze to at least double its current level up to 625,000 Euros.\textsuperscript{109}

Although it may seem like the inheritance tax in the United Kingdom is very high, and impacts many people, there are a few things citizens of the United Kingdom can do to help reduce their liability. The first big protection is the “portability” of the threshold exemption.\textsuperscript{110} This part of the tax, introduced in 2007, means that if the decedent dies leaving their entire estate to the surviving spouse, the surviving spouse will be allowed to take both exemptions upon death, thereby making the threshold level 650,000 Euros instead of just 325,000 Euros.\textsuperscript{111} However, if the first spouse to dies leaving anything to anyone else, including children, the surviving spouse only gets the remainder of the threshold.\textsuperscript{112} For example, if a spouse were to
die leaving 100,000 Euros total to their children, and the remainder of the estate to the surviving spouse, the surviving spouse would only receive an additional 225,000 Euros upon death for a total exemption of 550,000 Euros. The second thing an estate in the United Kingdom can do to reduce the inheritance tax liability of an estate is to leave more than ten percent of the estate to charity.  If more than ten percent of the estate is left to charity, this will reduce the rate at which the estate is taxed about the threshold level from forty percent down to thirty-six percent.

2. **Germany**

German law sets up the payment of the tax a little bit different than the United Kingdom, and because of this their tax rates and threshold levels are much different. Under German law it is not the estate that is taxed, but rather each heir or beneficiary individually based upon what they received from the decedent. In this system the amount of the exemption allowable is based upon the closeness of the relation, and the tax rate to be applied to all distributions above the threshold are determined based upon the amount of the distribution, and then second upon the tax class that the beneficiary or heir falls into. This means that depending on the relation, on may have to pay a substantial tax on even a very small estate. For example, the surviving spouse of a decedent is allowed to have a threshold exemption before they must pay tax of 500,000 Euros (564,000 USD), where as the threshold exemption amount a child, or child of a predeceased child is only 400,000 Euros (451,000 USD). From that point on the thresholds get even smaller with a 200,000 Euro threshold for grandchildren of living children, 100,000 Euro threshold for parents or other ascendants, and a 20,000 Euro threshold exemption for anyone else.
After the threshold exemption amount is known, the next thing to determine is which of the three German Tax Classes the beneficiary falls into.\textsuperscript{120} Spouses, including same-sex partner, children, grandchildren, and parents all fall into Tax Class I, other close relative such as siblings, nieces, nephews, aunts, uncles, and also divorce spouses fall into Tax Class II, and finally all other beneficiaries fall into Tax Class III.\textsuperscript{121} Once it is know the Tax Class the beneficiary falls into, we determine the rate based on a progressive schedule, meaning the greater the distribution, the higher the marginal tax rate will be.\textsuperscript{122} Although the tax rate is progressive, there is still a great benefit from being in Tax Class I, as not only do most Tax Class I beneficiaries have a much higher threshold exemption, but they have lower tax rates which start at seven percent and max out at thirty percent, whereas Tax Class III beneficiaries have a tax rate that starts at thirty percent and maxes out at fifty percent.\textsuperscript{123}

Similar to most other inheritance taxes, Germany also has a few exceptions to their general threshold and rates. One big exception is that the surviving spouse has a right to half of the decedent’s estate to pass through tax exempt, and also the family house will be tax exempt if it is given to the surviving spouse, or children, and is used as a principal residence for ten years after the death of the decedent.\textsuperscript{124} The biggest, and most controversial, of the current exemptions is the one that has just been ruled unconstitutional by Germany’s highest court, the Constitutional Court.\textsuperscript{125} That exemption was part of a 2009 amendment meant to protect the lack of liquidity small and medium sized businesses may have by exempting them from paying the inheritance tax upon succession.\textsuperscript{126} Under this exemption, anywhere from 85 percent to 100 percent of all business assets were exempt from the tax, if certain criteria were met, in an attempt help small businesses grow, preserve jobs, and help the economy grow during the recent worldwide economic downturn.\textsuperscript{127} This exemption has been wonderfully beneficially for the
small businesses that are protected from it as, in 2012 alone, these companies were able to obtain over 40 billion Euros in tax exemptions, while at the same time the German government collected only 4.3 billion Euros in overall inheritance tax revenues.\textsuperscript{128} Although the exemption allowed many strong businesses to begin and operate in Germany, this exemption will soon no longer be available as a tax exemption for those who own these small businesses as the Constitutional Court recently ruled the law unconstitutional on the principal of unfair taxation and gave the German government until mid-2016 to come up with either a solution or an alternative law.\textsuperscript{129}

3. \textit{United States of America}

Throughout the history of the United States there have been four different federal inheritance taxes.\textsuperscript{130} The first inheritance tax issued in the United States was early in the nation’s history, in 1797 a tax was enacted that required a stamp to be purchased for all wills and estates with the revenue intended to rearm the depleted naval force.\textsuperscript{131} Two other inheritance taxes were enacted by the federal government before the current inheritance tax was enacted by government in 1916 as a way for the government to raise funding.\textsuperscript{132} A progressive thinking government, around the time that the government enacted the Sixteenth Amendment enabling the government to collect a federal income tax, enacted the modern federal inheritance tax.\textsuperscript{133} The reason for this new inheritance tax was similar to the reasoning for the new income tax, that in the years since the Civil War, corporate expansions lead to a concentration of wealth in the hands of a few very powerful families, and many in the United States feared that if nothing were done to change this the United States government would turn into a plutocracy.\textsuperscript{134}

United States estates may also be subject to a second level of tax, as the states are also able to levy an inheritance tax.\textsuperscript{135} The first such of these state inheritance taxes was enacted by
the State of Pennsylvania in 1826, long before the modern federal inheritance tax. Like modern inheritance taxes, the state inheritance taxes were also questioned for their legality, however in 1898 the United States Supreme Court ended any of those questioned when they ruled that state inheritance taxes were legal and constitutional under the Fourteenth Amendment. State inheritance taxes are currently in force in fifteen of the fifty states and the District of Columbia. Although it is only the richest of American’s who must worry about the federal tax due to its high threshold exemption, many more American’s must worry about their state inheritance tax if they live in a state that has an inheritance tax on the state level as the threshold exemption is normally much lower. Allowing a state inheritance tax may seem as disadvantageous, and unconstitutional, on its face, there is really no disadvantageous to living in a state that has one, as since 1926 the federal government has allowed a credit on the federal taxes for the portion of state taxes the individual has already paid. This credit is very advantageous to the states that have a state level inheritance tax, as the credit is necessary in order to reduce competition between states attempting to attract the wealthiest of individuals as residents.

The United States federal inheritance tax has one of the highest threshold exemption amounts per person at 5.43 million USD for 2015. This threshold exemption is also portable, allowing a married couple protection on their estate in 2015 of up to 10.86 million USD. The rate at which estates are taxes, once they go above the threshold exemption, is a very high rate that begins at thirty-five percent and maxes out at forty percent. Although the rate may be very high, many people will never have to worry about this high rate as fewer than 2 out of every 1,000 estates is required to pay an inheritance tax due to being valued over the threshold amount. Because of this very high threshold, revenues from the inheritance tax make up a
very small amount as a percentage of the United States’ GDP, and is far below the average of the twenty-seven OECD nations that have enacted an inheritance tax.\textsuperscript{146}

The inheritance tax situation in the United States is always one of controversy, and because of that, it is always changing. One of the big recent changes sprung from the Economic Growth and Tax Relief Reconciliation Act of 2001.\textsuperscript{147} This Act did many things such as raising the threshold exemption amount to 1 million USD in 2002, and lowering the maximum rate at which estates could be taxed in 2002 from fifty-five percent to fifty percent, but the biggest thing it did was completely eliminate the inheritance tax for all deaths in 2010.\textsuperscript{148} The inheritance tax was reinstated in 2011 with a threshold exemption amount set at 5 million USD, and in 2013 once again became a permanent part of the tax code with the threshold exemption amount to be adjusted annually for inflation, and a lower maximum rate at which estates will be taxed.\textsuperscript{149} It is believe that this new, higher threshold exemption amount has reduced the amount of estates subject to tax tenfold, and will cost the United States federal government in excess of 8 billion USD annually in lost revenue.\textsuperscript{150}

United State inheritance taxes have also had many other recent change which have impacted the way lawyers must plan for death, and have made lawyers unsure about future changes in the inheritance tax laws. One of the changes was how recently the portability of inheritance tax was enacted as part of the tax code, newly implemented in 2011.\textsuperscript{151} The provision was first introduced as temporary in 2011, and although it was enacted to be a permanent part of the tax code in 2013, it still may raise estate-planning questions as it is very important to know if the inheritance tax will be portable when planning an estate.\textsuperscript{152} Another important change to the inheritance tax system is the unified credit theory under which inheritance tax and gift tax are integrated into a unified tax system.\textsuperscript{153} This allows anyone who
exceeds the annual gift tax exclusion (14,000 USD in 2015) to apply that excess to their inheritance tax threshold exemption amount, reducing the amount of the exemption available on death, during their lifetime without having to pay a tax.\textsuperscript{154} This system though is merely a deferral of taxation as if the one giving the gift were to pay the tax immediately, the amount would be credited against any inheritance tax that would owed at the death of the individual.\textsuperscript{155} Although most of these new changes have been called “permanent” changes, and little legislation is focused on changing the inheritance tax, recent legislation, with most of these rule changing in the past decade, show that calling any part of the inheritance tax code permanent may be incorrect.\textsuperscript{156}

4. \textit{Modern Countries Without Inheritance Tax}

Although China is now attempting to create their first ever inheritance tax, many experts believe that in doing so, China would actually be going against the modern worldwide trend of phasing out inheritance taxes.\textsuperscript{157} Many countries with very large economies such as Australia, Canada, Sweden, Italy and New Zealand have either never had an inheritance tax in place, or have abolished any sort inheritance tax they previously had.\textsuperscript{158} Further, other Asian countries Hong Kong and Singapore recently began phasing out their inheritance taxes only several years ago.\textsuperscript{159} Many of these countries have either never needed these inheritance taxes to generate revenue, or have found a way to replace any revenue they lost from repealing their inheritance tax.

a. Canada

Canada is one of the countries that formally had an inheritance tax, but repealed their national inheritance tax in 1971 with provinces that had an inheritance tax following soon afterwards.\textsuperscript{160} The Canadian government however coincided this repeal with a new tax law that
taxed the appreciation of assets upon death. This tax implemented after the repeal of the Canadian inheritance tax states that when a person in Canada dies, their assets are treated as if they were sold at the time of death and taxes must be paid upon this appreciation in value. Therefore, there is actually no tax upon the wealth of an individual upon their death, just a treatment of the assets as a disposition upon death, treating the disposition as a sale with revenue being treated as income. The government has also allowed for deferrals and deductions of this tax on the appreciation of assets when the assets are inherited by certain individuals. For example, if property is inherited by a surviving spouse, or certain children, they may be able to defer the payment of the tax from the gains of the property because they are treated differently by the Canadian government.

b. Australia

The Australian inheritance tax was repealed as to all deaths after July 1, 1979 after being enforced for over 30 years. Australia now takes an approach somewhat similar to Canada’s, except that it further defers when the tax will be paid, and how much that will be paid depending on the initial purchase by the deceased. If the deceased purchased the asset before September 20, 1985, then when the decedent dies the beneficiary will received a stepped-up cost basis (Fair Market Value at death), and will only pay capital gains tax on the appreciation above that if it is sold. On the other hand, if property was bought by the decedent after September 20th of 1985 then the beneficiary will tax the cost basis of the decedent, meaning that all appreciation in value during the decedent’s life will be subject to capital gains tax upon sale. This second result is therefore more detrimental to the beneficiary because even though the capital gains will be taxed at the same time, the year of the sale of the asset, it will be tax on a greater amount of gain. There are a limited number of exceptions to the inheritance tax laws in Australia, with the
biggest being the exception that if the property is passed to a tax advantaged entity, then the property is treated as being disposed of before death, and the estate will be forced to pay the tax on the gains and not the beneficiary entity.\textsuperscript{170} Another large exception to the inheritance tax is if the property is left to an entity that falls either within the national Cultural Bequests Program to be eligible to not pay tax on the property, or to a recipient to whom the property would have not been taxed if the property was a gift made prior to the decedent’s death.\textsuperscript{171}

c. Singapore

Singapore originally inherited their inheritance tax, and the idea of an inheritance tax, from their time as a British possession.\textsuperscript{172} The inheritance rates were always very high, sixty percent as recently as 1984, but that all ended when Singapore abolished their inheritance tax for deaths on and after February 15, 2008.\textsuperscript{173} It is estimated that abolishing the inheritance tax in Singapore has cost the nation 75 million USD a year since the tax was abolished.\textsuperscript{174} It is believed that the inheritance tax was abolished in a way for the nation to be able to attract wealthy individuals who will invest in the nation and bring their assets to the nation, thus improving the economy as a whole.\textsuperscript{175} Further, the Singapore government believed that the time for the need for an inheritance tax had passed, as now more there are more entrepreneurs and wealth is now divided in many more ways then it was in the past when wealth was largely concentrated in the hands of a very few wealthy families who owned much of the land of the small nation of Singapore.\textsuperscript{176}

IV. PROPOSED CHINESE INHERITANCE TAX COMPARED TO THOSE AROUND THE WORLD

Although the previously described inheritance taxes, and others around the world, all have their differences they are very similar compared to the problems that will be faced if the
proposed Chinese Inheritance Tax is enacted. Some of the biggest issues that will impact the proposed Chinese Inheritance Tax are; their communist ideals still visible in their laws, the omission of a full gift tax, and the very low threshold on estates that will be subject to the taxation.

A. **ISSUES OF A COMMUNIST HISTORY ON THE INHERITANCE TAX**

As discussed previously, China has a communist history, and this prior communist history still impacts the laws in the country today.\(^{177}\) None of the other countries in the world that have an inheritance tax are communist, therefore there would be no other model over which China could base some their largest issues and the Chinese Inheritance Tax would set precedent on how to answer some of these big issues.\(^{178}\) As mentioned earlier, one of the biggest issues with the communist history of China with relation to any inheritance tax is the fact that in China people do not own land, they merely lease it from the state for a period of seventy years.\(^{179}\) This can present a very common, yet unique scenario, of middle class families that could end up in a result many find unfair to the children of the deceased.\(^{180}\) In the scenario, a middle class family buys a house, and spends thirty years to pay off the mortgage, than once the house is finally paid off, the parents die leaving the right to use the house for ten years and the tax to their children.\(^{181}\) Although the house is now worth millions of Yuan Renimbi on the open market, this is actually a detriment to the children as this means that they will have to pay a very large amount of taxes.\(^{182}\) In fact, it might take the children the entire ten years that they have the house to pay back the taxes, and although their right to use or sell the house is gone, the children must still pay taxes on the house.\(^{183}\) This fact that property does not retain in the hands of the person who inherits it, and must pay taxes on it, is a situation unique to any inheritance tax that would be implemented
in China and would have to be addressed in some form before a fair inheritance tax system could be implemented in China.

B. OMISSION OF A GIFT TAX IN THE PROPOSED INHERITANCE TAX

One of the biggest and most glaring omissions from the proposed inheritance tax is the fact that it has little mention of the taxation of gifts.\textsuperscript{184} Although the draft of the proposed tax does mention that it will include all transfers made within the decedent’s last five years of life, this still gives the wealthy individuals a large loophole, and an incentive, to make large transfers of their wealth early in life, rather than towards the end.\textsuperscript{185} Because of a lack of a gift tax, the inheritance tax if planned correctly is almost completely impracticable and benefits the very wealthy individuals who are able spend and gift more money to their kids during their life than lower income individuals who still may be hit by the inheritance tax.\textsuperscript{186} It has been said that a gift tax is used to supplement an inheritance tax, and that without one an inheritance tax is ineffective and worthless.\textsuperscript{187} Even though there is a gift tax that is in the proposed inheritance tax, the fact that it has a five year limit may be too limited to really make the inheritance tax effective and in fact may be more of a benefit to the extremely wealthy and a burden to those who must still pay the tax, but cannot afford to gift away their wealth more than five years prior to their deaths.\textsuperscript{188}

C. LOW THRESHOLD OF EXEMPTION ON PROPOSED INHERITANCE TAX

As was stated earlier, the exemptions amount at which may be exempt from being taxed are only 200,000 Yuan Renimbi on an individual, with a maximum of 700,000 Yuan Renimbi.\textsuperscript{189} This means that maximum that can be exempt from the proposed inheritance taxation would only be roughly the equivalent of 112,000 USD, a very small amount for an inheritance tax exemption.\textsuperscript{190} This exemption would be one of the lowest of all countries that impose any sort of
inheritance tax.\textsuperscript{191} Because of the level at which this exemption is set up, it will impact many more families, and the key will be to not negatively impact the middle class.\textsuperscript{192} In fact, this threshold is so low that most middle class families will be impacted, especially almost all of those who own any home due to soaring housing prices in China.\textsuperscript{193} The large amount of families that will pay an inheritance tax will be in sharp contrast compared to the United States where fewer than 2 out of every 1,000 families must pay an inheritance tax upon the decedent’s death.\textsuperscript{194}

Citizens of China have shown a large dissatisfaction with this exemption threshold even though the inheritance tax is still only proposed.\textsuperscript{195} One of the largest issues in public debate so far has been that the threshold is “unreasonable” at the current level.\textsuperscript{196} Seventy percent of Chinese elderly not only believe that the threshold is too low, but that it should be over ten times higher to at least 10 million Yuan Renimbi.\textsuperscript{197} Many also believe that the exemption threshold is far too low to accomplish one of China’s largest goals in implementing the tax, the goal to reduce the income gap between the rich and the poor.\textsuperscript{198} One commentator stated that by starting the collecting of inheritance taxes at such a low rate, China is not adjusting income distribution, but rather they are stealing people’s wealth.\textsuperscript{199} Further, a low threshold is not needed in China of all places, as they would easily be able to tax much of the wealth, and redistribute income with even one of the highest threshold levels as over seventy percent of China’s wealth is concentrated in a miniscule four-tenths of a percent of the families in China.\textsuperscript{200} Therefore, many agree that the exemption threshold level not only is too low for the Chinese government to accomplish one of their main goals in implementing an inheritance tax in the first place, but may in fact be so low as to actually negatively impact the middle class an inheritance tax is designed to protect.
V. WHY CHINA’S PROPOSED INHERITANCE TAX DOES NOT MATCH THEIR GOALS

As mentioned earlier, the Chinese government proposed an inheritance tax to curb certain national problems such as a large income inequality gap, a lack of social mobility, and as a way to raise revenue to support the government’s growing debt.\(^{201}\) These are all reasons why inheritance taxes have historically been implemented in other countries around the world, however because of the way the proposed inheritance tax has been set up, the Chinese government has missed the mark in attempting to solve all of these issue through this proposed inheritance tax.\(^{202}\)

A. TAX AS A MEANS OF REVENUE

One of the number one reasons why many people believe in implementing an inheritance tax is because it provides a stream of revenue for the government.\(^{203}\) The Chinese government has had skyrocketing debt in the last few years, and the government believes that by implementing this inheritance tax they would be able to generate nearly 200 billion Yuan Renimbi annually.\(^{204}\) However, there are many that do not believe that the government will be able to effectively police the inheritance tax, especially given the fact that there is no national system for the registration of the assets and property information of private citizens.\(^{205}\) Inheritance taxes have also been known as one of the most inefficient taxes due to their high compliance costs and complexity, and many believe that the costs to implement the tax is just as great as any revenue they produce.\(^{206}\) Because of this it is questionable if the Chinese government would be able to raise such a large amount from the tax to help reduce the government’s debt, this issue is highlighted even more due to the fact that the Chinese
government lacks a strong system of registration making the enforcing of the tax even more costly.

Even if revenue is collected from the tax, many are concerned that the money will not be used to improve the government’s debt problem or benefit the public.\textsuperscript{207} In 2008, the Chinese government stated that the tax would be used to boost social programs, however this does not satisfy the public as they want to know exactly what social benefit they can expect to receive before they begin being taxed.\textsuperscript{208} This concern for public knowledge is strengthened even further by the fact that the Chinese government’s decision-making process is non-transparent, and the country has weak social programs.\textsuperscript{209}

B. TAX AS A WAY TO NARROW THE GAP BETWEEN THE RICH AND THE POOR

China has one of the largest gaps between rich citizens and poor citizens in the world meaning that it should be perfect for an inheritance tax that could solve this issue.\textsuperscript{210} Although China may be a perfect country for an inheritance tax to do this, their proposed inheritance tax fails to do so due to its low threshold exemption level.\textsuperscript{211} In order for a tax to close the income gap it would have to be a “progressive tax” and tax those who die with the greatest estate value to be taxed at a higher percentage than those who die with a lower estate value.\textsuperscript{212} The proposed inheritance tax does have some progressive characteristics; it does not tax all who die, only those above a certain estate value, however it is not progressive enough to only tax the rich who are the cause of the issue.\textsuperscript{213} By having the threshold set at this low level it will not only tax the rich, but also most of the middle class upon death, and therefore do very little to help solve the issue of the income gap.\textsuperscript{214}

It is also possible that this low threshold actually make the gap between the rich and the poor wider, and thereby negatively impact China. This proposed tax will impact many people in
China, but it will most likely only be the wealthy who will spend the money on an attorney to have the best possible estate plan.\textsuperscript{215} By utilizing an estate plan, these wealthy individuals will be able to save money by planning, and may likely end up paying a lower tax rate than those who will not be able to afford an attorney.\textsuperscript{216} Further, like the scenario above a family that has most of their wealth tied up in a single asset like a house may not be able to afford to pay the taxes right away, and may go into worse debt just to pay off the former generations debt.\textsuperscript{217} This debt will then lower the wealth of families already on the lower end of the wealth spectrum, thereby widening the gap.\textsuperscript{218}

C. \textbf{TAX AS A WAY TO PROVIDE FOR SOCIAL MOBILITY}

Following the thought that an inheritance tax will narrow the wealth gap between the rich and the poor is China’s attempt to provide for social mobility by implementing an inheritance tax.\textsuperscript{219} The belief is that the best way to provide social mobility is to get rid of the gains wealthy people make by being wealthy while not negatively impacting those who are not.\textsuperscript{220} Once again the issue of the proposed inheritance tax’s low threshold comes into play as it will help to negatively impact the wealthy, but also many of those who are not wealthy.\textsuperscript{221} There are also many questions on whether any government policy can improve social mobility with many studies showing that it cannot.\textsuperscript{222} The studies regarding social mobility range across countries, such as the very income equal Sweden to the very income inequal China, showing social mobility rates are almost equally slow in almost all countries.\textsuperscript{223}

Although a country may not be able to provide for social mobility, they may still be able to be a better society for the lower class by giving them more opportunities.\textsuperscript{224} One of the best ways to provide the lower class with opportunity is through employment and creating jobs.\textsuperscript{225} Private capital is one of the best ways to provide for job growth as it can be tailored to fit the
needs of the individual business and investor, and is therefore one of the best ways to provide opportunity for the lower class. However, by implementing an inheritance tax it may not only harm the small businesses who employ the lower class, but also those who invest in the businesses. As mentioned before, an inheritance tax may force small businesses to close and eliminate these crucial jobs in the community. A harsh inheritance tax may also force those wealthy individuals who provide the capital for these small businesses to succeed to emigrate out of China, reducing the opportunity for private capital to be available to entrepreneurs to create more jobs.

VI. HOW TO CHANGE CHINA’S PROPOSED INHERITANCE TAX TO MEET SOME OF THEIR GOALS

Although China may not be able to accomplish all of the goals they set out to accomplish through an inheritance tax they may be able to accomplish some of them. By modifying the proposed inheritance tax to include a higher threshold exemption limit and a gift tax, along with implementing a national asset registration system, China may still have success with an inheritance tax.

A. INHERITANCE TAX WITH A HIGHER EXEMPTION THRESHOLD LEVEL

Through using a higher exemption threshold level, the inheritance tax would become more progressive and would better serve the goal of narrowing the gap between the rich and the poor. By not taxing the middle class, and only taxing the extremely rich, China could solve their problem of the top one percent owning over a third of all wealth. A higher threshold would help protect those who have most of their wealth tied up in one asset from needing to go into debt to pay off the tax. Further, a higher threshold may save many job creating small
businesses, as the owners of these businesses would not have to decide between paying the tax and closing their doors.\textsuperscript{234}

B. INHERITANCE TAX THAT INCLUDES A GIFT TAX

Many believe that a gift tax is needed along with an inheritance tax to become successful.\textsuperscript{235} By implementing a gift tax spanning life instead of the proposed five year period China will close a large loophole that allows the very wealthy to escape the inheritance tax.\textsuperscript{236} Without having this loophole closed, the wealthy will be able to gift away their wealth long before death and therefore make the inheritance tax ineffective as to accomplishing any of China’s goals.\textsuperscript{237}

C. A NATIONAL ASSET REGISTRATION SYSTEM

In order for China to have an effective way to administer an inheritance tax a countrywide system of asset and property registration is necessary.\textsuperscript{238} This creation of a registration system is one of the biggest obstacles China must climb before an inheritance tax could be levied, and could be the primary reason why some in the government think it would be decades before an inheritance tax could be properly levied.\textsuperscript{239} A proper asset and property registration system is also needed to help keep down compliance costs which are already very high due to the complex nature of the inheritance tax.\textsuperscript{240}

VII. CONCLUSION

Even though it may take decades to implement, an inheritance tax may be useful to the Chinese government in accomplishing many of their goals.\textsuperscript{241} This success will only come from further revisions to the already once revised proposed inheritance tax of 2004.\textsuperscript{242} Further revisions will also be necessary in other areas of Chinese law, such as their property laws and asset registration laws, in order for the inheritance tax to be efficient.\textsuperscript{243} Even though global
trends have recently been to eliminate inheritance taxes, it may be exactly what China needs in order to accomplish their goals and become an even greater world power in the twenty-first century.  

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4 Sophie Song, China’s Local Government Debt Estimated Around 20 Trillion Yuan ($3.3 Trillion, Rivals Germany’s GDP, INTERNATIONAL BUSINESS TIMES, Sept. 17, 2013 at 1.
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Xinhua, supra note 20, at 1.
26 Song, supra note 5, at 1.


28 Id.

29 The full text of the draft inheritance People’s Republic of China, supra, note 19.

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36 Sandraw Lipperty, Inheritance, in UCLA ENCYCLOPEDIA OF EGYPTOLOGY 1 (Willeke Wendrich et al. eds., 2013).

37 Id.

38 Id.


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54 Huang & DeBot, supra, note 52 at 5.


56 Huang & DeBot, supra, note 52 at 6.


61 Id. at 4.

62 Gravelle, supra, note 55 at 2.


64 Gravelle, supra, note 55 at 2.

65 Id.

66 Id.

67 Huang & DeBot, supra, note 52 at 4.

68 Logan, supra, note 53 at 1.


70 Logan, supra, note 53 at 1.
71 Id. at 2.

72 Robbins, supra, note 42 at 5; History and Debate of Estate Tax, supra, note 63 at 1 (“studies suggest that the expense to the government of collecting the estate tax is almost as high as the fund received from it, thus making it a highly ineffective way to get revenue.”).


74 Id.

75 Robbins, supra, note 42 at 4.

76 Ligon, supra, note 73 at 1.

77 Robbins, supra, note 42 at 4.

78 Gravelle, supra, note 55 at 2.

79 Ligon, supra, note 73 at 1.

80 Robbins, supra, note 42 at 4.

81 Ligon, supra, note 73 at 1.

82 Id. at 2 (Including a list of small towns such as Biloxi, MS, Casco, ME, and Sipsey, AL all of which have an economy that revolves around large, family owned businesses which, if taxed, could destroy the towns.)

83 Id. at 1.

84 Why Buy Locally Owned?, SUSTAINABLE CONNECTIONS, at 1, https://sustainableconnections.org/thinklocal/why

85 Id.


88 Logan, supra, note 53 at 1.

89 Id. at 2.

90 Luo, supra, note 27 at 2.

91 Zhiyong, supra, note 24 at 2.

92 Logan, supra, note 53 at 2.

93 Gravelle, supra, note 55 at 2.

94 *History and Debate of Estate Tax*, supra, note 63 at 1.


98 O’Bannon, supra, note 96.

99 Id.
UK and Ireland Impose Highest Taxes on Inheritance of All Major Economies, supra, note 97 at 1.

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Id.

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UK and Ireland Impose Highest Taxes on Inheritance of All Major Economies, supra, note 97 at 1.

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131 *Id.*

132 Darien B. Jacobson et al., *The Estate Tax: Ninety Years and Counting*, IRS STATISTICS OF INCOME BULLETIN (Summer 2007), at 118.

133 *Id.* at 120.

134 *Id.* at 120.

135 *Inheritance Tax*, supra, note 95 at 1.

136 *Id.*

137 Magoun, 170 U.S. at 286.


139 *Id.*

140 *Inheritance Tax*, supra, note 95 at 1.

141 *Id.*


Huang & DeBot, supra, note 52 at 1. (stating that 99.85 percent of all estates in America are not subject to the federal estate tax)


Bell, supra, note 142 at 1.


Bell, supra, note 142 at 1.


Id.

Id.

Id.

157 Luo, supra, note 27 at 2.


159 Luo, supra, note 27 at 2.


162 Id. (differentiating from the US form of valuation which gives a “stepped-up” basis of assets owned by the decedent at their death).

163 Main, supra, note 160.

164 CANADA REVENUE AGENCY, CAPITAL GAINS, at 48 (2014).

165 Id.


167 Lav, supra, note 161 at 5.


169 Id.

170 Id., at 2.
171 Id. at 2.


173 INLAND REVENUE AUTHORITY OF SINGAPORE, HOW TO CALCULATE ESTATE DUTY (June 3 2009).

174 Singapore – Place Where The Rich Get Richer, the Poor Gets., supra, note 172 at 1.

175 Id.

176 Id.

177 Milestones: 1945-1952, supra, note 8 at 1.

178 UK and Ireland Impose Highest Taxes on Inheritance of All Major Economies, supra, note 97 at 1.


180 Song, supra note 5, at 1.

181 Song, supra note 5, at 1.

182 Id.

183 Id.

184 The full text of the draft inheritance People’s Republic of China, supra, note 19.

185 Id.


The full text of the draft inheritance People’s Republic of China, supra, note 19.

Id.


UK and Ireland Impose Highest Taxes on Inheritance of All Major Economies, supra, note 97 at 1.

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208 Qi, supra, note 179 at 2.

209 Luo, supra, note 27 at 2.


211 Qi, supra, note 179 at 2.


213 Luo, supra, note 27 at 2.

214 Qi, supra, note 179 at 2.


217 Song, supra note 5, at 1.


219 Luo, supra, note 27 at 2.


221 Qi, supra, note 179 at 2.
222 Clark, supra, note 220 at 1.

223 Id. at 2.

224 Id.

225 Id.


227 Robbins, supra, note 42 at 4.

228 Id.

229 Luo, supra, note 27 at 2.

230 Xinhua, supra note 20, at 1.

231 Luo, supra, note 27 at 2.


233 Song, supra note 5, at 1.

234 Robbins, supra, note 42 at 4.

235 Note, supra, note 187 at 361.

236 The full text of the draft inheritance People’s Republic of China, supra, note 19.

237 O’Brien, supra, note 186 at 1.

238 Xinhua, supra note 20, at 1.

239 Id.

240 Logan, supra, note 53 at 1.

241 Xinhua, supra note 20, at 1.

242 The full text of the draft inheritance People’s Republic of China, supra, note 19.
243 Xinhua, supra note 20, at 1.

244 Luo, supra, note 27 at 2.