

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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.

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IN THE SENATE OF THE UNITED STATES

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Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## 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”.

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

7 (a) IN GENERAL.—The Internal Revenue Code of  
8 1986 is amended by inserting after subtitle B the fol-  
9 lowing new subtitle:

1           **“Subtitle B-1—Wealth Tax**

                  “CHAPTER 18—DETERMINATION OF WEALTH TAX

2           **“CHAPTER 18—DETERMINATION OF**  
3                           **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.

4           **“SECTION 2901. IMPOSITION OF TAX.**

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

8           “(b) COMPUTATION OF TAX.—

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

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

14                           “(B) 2 percent of so much of the net value  
15 of all taxable assets of the taxpayer in excess of  
16 the zero bracket threshold but not in excess of  
17 the top bracket threshold, plus

18                           “(C) the applicable percentage of so much  
19 of the net value of all such taxable assets of the  
20 taxpayer in excess of the top bracket threshold.

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

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

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

7           “(c) APPLICABLE PERCENTAGE.—

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

10           “(A) except as provided in subparagraph  
11           (B), 3 percent, and

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

15           “(2) LEGISLATION DESCRIBED.—Legislation  
16           meets the requirements of this paragraph if such  
17           legislation—

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

23           “(B) prohibits private entities from pro-  
24           viding duplicate benefits.

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

4       “(e) TREATMENT OF NONGRANTOR MULTIBENE-  
5 FICIARY TRUSTS.—

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

10          “(2) COMPUTATION OF TAX.—

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

13                   “(i) the zero bracket threshold shall  
14 be equal to the sum of—

15                           “(I) \$0, plus

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

19                   “(ii) the top bracket threshold shall be  
20 equal to the sum of—

21                           “(I) \$0, plus

22                           “(II) the lowest unused 2 percent  
23 bracket amount assigned to the trust  
24 by all beneficiaries of the trust.

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

6                   “(i) the excess (if any) of—

7                           “(I) the zero bracket threshold,  
8 over

9                           “(II) the sum of—

10                                   “(aa) the net value of all  
11 taxable assets of the beneficiary  
12 for the calendar year, plus

13   “(bb) any unused 0 percent  
14 bracket amount assigned by the  
15 beneficiary to other nongrantor  
16 multibeneficiary trusts, or

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

20           “(C) UNUSED 2 PERCENT BRACKET  
21 AMOUNT.—For purposes of this paragraph, the  
22 term ‘unused 2 percent bracket amount’ means,  
23 with respect to any beneficiary for any calendar  
24 year, the lesser of—

25                   “(i) the excess (if any) of—

1                   “(I) the top bracket threshold re-  
2                   duced by the zero bracket threshold,  
3                   over

4                   “(II) the sum of—

5                   “(aa) the net value of all  
6                   taxable assets of the beneficiary  
7                   for the calendar year in excess of  
8                   the zero bracket threshold, plus

9                   “(bb) any unused 2 percent  
10                  bracket amount assigned by the  
11                  beneficiary to other nongrantor  
12                  multibeneficiary trusts, or

13                  “(ii) the portion of the net value of all  
14                  taxable assets of the trust which such ben-  
15                  eficiary is eligible to receive.

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

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

1           “(A) IN GENERAL.—The term ‘nongrantor  
2           multibeneficiary trust’ means any trust or por-  
3           tion of a trust—

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

7                   “(ii) no property of which is attrib-  
8                   utable to a gratuitous transfer of assets by  
9                   a person who is subject to tax under this  
10                  chapter for the calendar year, and

11                  “(iii) which has more than one bene-  
12                  ficiary (determined as of the last day of  
13                  the calendar year).

14           “(B) EXCEPTION.—Such term shall not in-  
15           clude—

16                   “(i) any trust described in section  
17                   401(a) and exempt from tax under section  
18                   501(a),

19                   “(ii) any trust all of the unexpired in-  
20                   terests in which are devoted to one or more  
21                   of the purposes described in section  
22                   170(c)(2)(B),

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

1                   “(iv) any charitable annuity remain-  
2                   der trust (as defined in section 664(d)(1)  
3                   or any charitable remainder unitrust (as  
4                   defined in section 664(d)(2).

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

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

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

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

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

23                         “(2) is tangible personal property, and

24                         “(3) is not property—



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

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

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

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

13           “(1) PROPERTY INCLUDED IN ESTATE.—Any  
14 property that would be included in the estate of the  
15 taxpayer if the taxpayer died shall be treated as  
16 property of the taxpayer.

17           “(2) INCLUSION OF CERTAIN GIFTS.—Any  
18 property transferred by the taxpayer after the date  
19 of the enactment of this chapter, to an individual  
20 who is a member of the family of the taxpayer (as  
21 determined under section 267(c)(4)) and has not at-  
22 tained the age of 18 shall be treated as property of  
23 the taxpayer for any calendar year before the year  
24 in which such individual attains the age of 18.

1           “(3) CONTRIBUTION OF PROPERTY HELD BY  
2 TRUSTS.—

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

9           “(B) NONGRANTOR TRUSTS.—

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

19           “(ii) OTHER TRUSTS.—

20           “(I) IN GENERAL.—In the case  
21 of any trust or portion of a trust  
22 which is described in subclause (II),  
23 the property of such trust shall be  
24 treated as the property of the bene-

1           ficiary of such trust and not as the  
2           property of the trust.

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

14                   “(C) RIGHT OF RECOVERY.—

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



1 treated as having been made on the last  
2 day of the calendar year for which the tax  
3 under subsection (a) was due.

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

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

13 “(i) the present value of any remain-  
14 der interest shall not be taken into account  
15 under subsection (a), and

16 “(ii) the present value of any other in-  
17 terests shall be taken in account under  
18 subsection (a), in accordance with regula-  
19 tions promulgated by the Secretary, as the  
20 property of the beneficiaries of such inter-  
21 ests.

22 “(B) CHARITABLE LEAD ANNUITY TRUSTS  
23 AND CHARITABLE LEAD UNITRUSTS.—In the  
24 case of a charitable lead annuity trust (as de-

1            fined in section 2642(e)(3)) or a charitable lead  
2            unitrust—

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

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

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

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

24                    “(2) may require the use of formulaic valuation  
25                    approaches for designated assets, including

1 formulaic approaches based on proxies for deter-  
2 mining presumptive valuations, formulaic approaches  
3 based on prospective adjustments from purchase  
4 prices or other prior events, or formulaic approaches  
5 based on retrospectively adding deferral charges  
6 based on eventual sale prices or other specified later  
7 events indicative of valuation, and

8 “(3) may address the use of valuation dis-  
9 counts.

10 **“SEC. 2903. SPECIAL RULES.**

11 “(a) DECEASED INDIVIDUALS.—

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

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

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

23 “(i) the number of days in the cal-  
24 endar year after the date of the individ-  
25 ual’s death, bears to

1 “(ii) 365.

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

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

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

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

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

21 **“SEC. 2904. INFORMATION REPORTING.**

22 “(a) IN GENERAL.—Not later than 12 months after  
23 the date of the enactment of this section, the Secretary  
24 shall by regulations require the reporting of any informa-



1 tion concerning the net value of assets appropriate to en-  
2 force the tax imposed by this chapter.

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

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

18 **“SEC. 2905. ENFORCEMENT.**

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

22 (b) NO DEDUCTION FROM INCOME TAXES.—Section  
23 275 of the Internal Revenue Code of 1986 is amended by  
24 inserting after paragraph (6) the following new paragraph:

25 “(7) Taxes imposed by chapter 18.”.

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

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

5 “(3) WEALTH TAX.—

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

12 “(B) TAXPAYERS DESCRIBED.—A taxpayer  
13 is described in this subparagraph if such the  
14 Secretary determines—

15 “(i) the taxpayer has severe liquidity  
16 constraints, or

17 “(ii) immediate payment would cause  
18 undue hardship on an ongoing enter-  
19 prise.”.

20 (2) RULES.—Not later than 12 months after  
21 the date of the enactment of this Act, the Secretary  
22 of the Treasury (or the Secretary’s delegate) shall  
23 establish rules for the application of the amend-  
24 ments made by paragraph (1).

1 (d) APPLICATION OF ACCURACY RELATED PEN-  
2 ALTIES.—

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

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

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

11 “(m) APPLICATION TO SUBSTANTIAL WEALTH TAX  
12 VALUATION UNDERSTATEMENT.—

13 “(1) SUBSTANTIAL WEALTH TAX VALUATION  
14 UNDERSTATEMENT DEFINED.—

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

22 “(B) LIMITATION.—No penalty shall be  
23 imposed by reason of subsection (b)(10) unless  
24 the portion of the underpayment attributable to

1 substantial wealth tax valuation understate-  
2 ments for the calendar year exceeds \$5,000.

3 “(2) INCREASED PENALTY.—

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

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

14 “(ii) in any other case, by substituting  
15 ‘30 percent’ for ‘20 percent’.

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

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

“Subtitle B-1—Wealth Tax”.

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

4 (g) PERIODIC REPORTS.—Not later than January 1,  
5 2027, and every 2 years thereafter, the Secretary of the  
6 Treasury (or the Secretary’s delegate) shall submit to  
7 Congress a report on the tax imposed under chapter 18  
8 of the Internal Revenue Code of 1986 (as added by this  
9 Act), including any issues related to the administration  
10 and enforcement of such tax.

11 **SEC. 3. STRENGTHENING DISCLOSURE REQUIREMENTS.**

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

21 (b) FATCA ENFORCEMENT PLAN.—The Secretary  
22 of the Treasury (or the Secretary’s delegate) shall develop  
23 a comprehensive plan for managing efforts to leverage  
24 data collected under chapter 4 of the Internal Revenue  
25 Code of 1986 in agency compliance efforts. Such plan

1 shall include an evaluation of the extent to which actions  
2 being undertaken as of the date of the enactment of this  
3 Act for the enforcement of the requirements of such chap-  
4 ter improve voluntary compliance and address noncompli-  
5 ance with such requirements.

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

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

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

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

13 “(1) for enforcement of this title,  
14 \$70,000,000,000,

15 “(2) for taxpayer services, \$10,000,000,000,  
16 and

17 “(3) for business system modernization,  
18 \$20,000,000,000.”.

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for subchapter A of chapter 80 of the Internal Revenue  
21 Code of 1986 is amended by adding at the end the fol-  
22 lowing new item:

“Sec. 7813. Authorization of appropriations.”.