

119TH CONGRESS  
1ST SESSION

# H. R. 2918

To amend the Internal Revenue Code of 1986 to exclude from the value of taxable estates bequests to certain exempt organizations.

---

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2025

Mr. STEUBE (for himself and Mr. MCCORMICK) 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 exclude from the value of taxable estates bequests to certain exempt organizations.

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 “Family Business Leg-  
5 acy Act of 2025”.

1 **SEC. 2. EXCLUSION OF BEQUESTS TO CERTAIN EXEMPT OR-**  
2 **GANIZATIONS FROM VALUE OF TAXABLE ES-**  
3 **TATE.**

4 (a) IN GENERAL.—Part IV of subchapter A of chap-  
5 ter 11 of the Internal Revenue Code of 1986 is amended  
6 by adding at the end the following new section:

7 **“SEC. 2059. BEQUESTS TO CERTAIN EXEMPT ORGANIZA-**  
8 **TIONS.**

9 “(a) IN GENERAL.—For purposes of the tax imposed  
10 by section 2001, the value of the taxable estate shall be  
11 determined by deducting from the value of the gross estate  
12 the amount of all bequests, devises, or transfers to or for  
13 the use of any organization exempt from tax under section  
14 501(a) and described in paragraph (4), (5), or (6) of sec-  
15 tion 501(c).

16 “(b) POWERS OF APPOINTMENT.—Property includ-  
17 ible in the decedent’s gross estate under section 2041 (re-  
18 lating to powers of appointment) received by a donee de-  
19 scribed in this section shall, for purposes of this section,  
20 be considered a bequest of such decedent.

21 “(c) DEATH TAXES PAYABLE OUT OF BEQUESTS.—  
22 If the tax imposed by section 2001, or any estate, succes-  
23 sion, legacy, or inheritance taxes, are, either by the terms  
24 of the will, by the law of the jurisdiction under which the  
25 estate is administered, or by the law of the jurisdiction  
26 imposing the particular tax, payable in whole or in part

1 out of the bequests, legacies, or devises otherwise deduct-  
2 ible under this section, then the amount deductible under  
3 this section shall be the amount of such bequests, legacies,  
4 or devises reduced by the amount of such taxes.

5 “(d) LIMITATION ON DEDUCTION.—The amount of  
6 the deduction under this section for any transfer shall not  
7 exceed the value of the transferred property required to  
8 be included in the gross estate.

9 “(e) DISALLOWANCE OF DEDUCTIONS IN CERTAIN  
10 CASES.—Where an interest in property (other than an in-  
11 terest described in section 170(f)(3)(B)) passes or has  
12 passed from the decedent to a person, or for a use, de-  
13 scribed in subsection (a), and an interest (other than an  
14 interest which is extinguished upon the decedent’s death)  
15 in the same property passes or has passed (for less than  
16 an adequate and full consideration in money or money’s  
17 worth) from the decedent to a person, or for a use, not  
18 described in subsection (a), no deduction shall be allowed  
19 under this section for the interest which passes or has  
20 passed to the person, or for the use, described in sub-  
21 section (a) unless such interest, whether in the form of  
22 a remainder interest, lead interest, or any other interest,  
23 is in the form of qualified interest (within the meaning  
24 of section 2702(b)) and valued under the rules of section  
25 7520.”.

1           (b) CONFORMING AMENDMENT.—The table of sec-  
2 tions for part IV of subchapter A of chapter 11 is amend-  
3 ed by inserting at the end the following new item:

“Sec. 2059. Bequests to certain exempt organizations.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 the section shall apply to estates of decedents dying or  
6 bequests, devises, or transfers made after December 31,  
7 2025.

○