

Dollar amounts of U.S. tax on U.S. estates of nonresident aliens and U.S. citizens

U.S. gross estate ¹	Amounts of U.S. tax			
	Present treatment of nonresident alien	Nonresident alien ²	U.S. citizen	
			With marital deduction ³	Without marital deduction ⁴
\$2,000.....				
\$10,000.....	\$290			
\$30,000.....	2,300			
\$60,000.....	7,500	\$1,200		
\$100,000.....	17,300	3,000		\$3,000
\$250,000.....	57,500	14,500	\$7,500	40,250
\$500,000.....	129,000	37,000	40,000	110,500
\$750,000.....	206,250	59,250	74,250	186,000
\$1,000,000.....	288,000	88,000	111,000	267,000
\$5,000,000.....	2,150,000	630,000	845,000	2,115,000
\$10,000,000.....	5,330,000	1,300,000	2,120,000	5,280,000

¹ 10 percent of gross estate is deducted for funeral and other expenses of U.S. citizens and nonresident aliens.
² Effective rate of tax with \$30,000 exemption and rate schedule as follows:
If taxable estate is— The tax shall be—
Not over \$100,000..... 5 percent of the taxable estate
Over \$100,000 but not over \$750,000..... \$5,000 plus 10 percent of excess over \$100,000
Over \$750,000..... \$70,000 plus 15 percent of excess over \$750,000
³ Effective rate of tax on U.S. citizens under current rate schedule with \$60,000 exemption and marital deduction.
⁴ Effective rate of tax on U.S. citizens under current rate schedule with \$60,000 exemption but without marital deduction.
Source: Office of the Secretary of the Treasury, Office of Tax Analysis, July 2, 1965.

Mr. ULLMAN. Mr. Secretary, we thank you very much for your testimony before us. It has been very helpful to us.
Secretary FOWLER. Thank you very much, Mr. Chairman.
Mr. ULLMAN. We have some additional witnesses from out of town and I would like to proceed as long as we can prior to a quorum call. The next witness is Mr. Fredrick Eaton. Is Mr. Eaton here?
Mr. Eaton, we welcome you before the committee. You are a member of the task force and have worked hard and long on this problem. Will you please state your name and who you represent here for the committee and proceed as you wish?

STATEMENT OF FREDRICK M. EATON, NEW YORK, MEMBER OF TASK FORCE ON PROMOTING INCREASED FOREIGN INVESTMENT IN U.S. CORPORATE SECURITIES, ACCOMPANIED BY PETER NITZE

Mr. EATON. Thank You, Mr. Chairman and gentlemen. I will briefly review for you the activities of the task force and its recommendations. My primary purpose here is to tell you in general terms the results that have been accomplished in the private sector in the area of its recommendations.
In some detail, I have furnished this to each of you in a report which was signed by Ambassador McKinney; the executive officer of the task force of which Mr. Fowler was the chairman.
The members of the task force are set forth in the task force report which I believe you have and represented a fairly broad section of both industry and of finance. This group was formed in the summer and fall of 1963 and its report was filed in the spring of 1964.
The report was divided into three major sections. One was suggestions to business and finance as to what could be done to help on