

119TH CONGRESS
2^D 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.

IN THE SENATE OF THE UNITED STATES

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

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 2026”.

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 “(11) 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 “(n) 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)(11) 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, 2026.

4 (g) PERIODIC REPORTS.—Not later than January 1,
5 2029, 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 2027 through 2037—

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.”.