# Index


**ACTUAL USE**
Fair market value of farms and closely held businesses based on, **3:68**
Special use valuation, **5:2**

**ACTUARIAL TABLES**
**Fair Market Value** (this index)

**ADEQUATE DISCLOSURE OF GIFTS**
Gift tax, **17:183 to 17:188**

**ADMINISTRATORS**
**Executors and Administrators** (this index)

**ADOPTION**
Generation-skipping transfer tax
determining generations
generally, **19:21**
lineal descendant adoption by non-lineal descendant, **19:23**
modifications of exempt trusts, settlement resolving adopted child status, **19:85**
Special use valuation election requirements, adopted children, **5:14**

**AFTER-BORN CHILDREN**
Gross estate determinations, right to designate enjoyment of transferred property, **2:186**

**AGENTS**
Gift tax returns, filing requirements, **18:16**
Settlements of estate tax disputes, authority, **11:9**
Special use valuation agreements, designations of agents
generally, **5:71**
duties, **5:75**

**AIRCRAFT**
Fair market value, **3:275**

**ALIENS**
**Citizenship** (this index)
Engaged in business in US status of nonresident alien, **8:50**
**Expatriates** (this index)
**Nonresidents Not Citizens** (this index)

**ALIMONY OBLIGATIONS**
**Support Obligations** (this index)
**Taxable Estate** (this index)

**ALTERNATE VALUATION**
Generally, **4:1 et seq.**
Accuracy-related penalty on underpayments, imposition of, **4:10**
Amount receivable after death under pre-death right, **4:24**
Annuities
generally, **4:22**
death of surviving annuitant within alternate valuation period, **4:23**
Casualty or theft loss deductions, effect on, **6:98**
Corporate earnings, undistributed, **4:18**
Date of alternate valuation, close corporation shares, **3:125**
Date of sale, exchange or other disposition, determining, **4:4**
Definitions, **4:3**
Distribution, term defined, **4:3**
Dividends, **4:17**
Effect of alternate valuation on estate tax deductions, **4:5**
Elections
both special use valuation and alternate valuation, **5:4**
extensions of time, **4:8**
method, **4:6**
regulations, **4:9**
timing, **4:7, 4:8**
Estate taxation, effect of alternative valuation on casualty or theft loss deductions, **6:98**
Estate tax deductions, effect of alternate valuation of, **4:5**
Exchange, term defined, **4:3**
Excluded property, **4:11 et seq.**
Extensions of time for elections, **4:8**
**Fair Market Value** (this index)
Included property, **4:11 et seq.**
Interest bearing obligations, **4:14**
Lapse of time factors, **4:20 et seq.**
Leased property, **4:16**
Method of electing alternate valuation, **4:6**
Methodology generally, **4:1**
Multiple elections, special use valuation and alternate valuation, **5:4**
Noninterest bearing obligations, **4:15**
Obligations, interest bearing, **4:14**

**ALTERNATE VALUATION—Cont'd**
Obligations, noninterest bearing, **4:15**
Post-death events, **4:2**
Pre-death right, amount receivable after death under, **4:24**
Regulations, election, **4:9**
Remainders, **4:21**
Reversions, **4:21**
Sale, term defined, **4:3**
Scope, **4:11 et seq.**
Special use valuation and alternate valuation both elected, **5:4**
Timing of alternate valuation elections
generally, **4:7**
extensions of time, **4:8**
Underpayments, imposition of accuracy-related penalty on, **4:10**
Undistributed corporate earnings, **4:18**

**AMERICAN TAXPAYER RELIEF ACT OF 2012**
Generally, **1:7**
Estate tax, summary of changes, **1:8**
Gift disclaimers, **14:58**

**AMOUNT OF CHARITABLE DEDUCTION**
Generally, **6:293 et seq.**
Administration expenses
payable out of income, **6:297**
reduction for, **6:296**
Bequests by nonresident noncitizen to foreign charities, **6:301**
Death taxes reduction
generally, **6:298**
interrelated computations, **6:299**
Election to deduct certain foreign death taxes, **6:300**
Fair market value, subsequent events reduce value of estate's charitable deduction, **21:18**
Foreign charities, nonresident noncitizen bequests to, **6:301**
Foreign death taxes, election to deduct, **6:300**
Gift tax, **16:128**
Interrelated computations, reduction for death taxes, **6:299**
Naming a charity as beneficiary of IRAs and qualified plans, **6:295**
Natural resources interests donations, **3:97**
Nonresident noncitizen bequests to foreign charities, **6:301**
Reduction for administration expenses, **6:296**
Reduction for death taxes
generally, **6:298**
interrelated computations, **6:299**

**AMOUNT OF CHARITABLE DEDUCTION —Cont'd**
Reformation of charitable trust to determine, **6:294**

**ANNUAL EXCLUSION**
**Gift Tax** (this index)

**ANNUITIES**
Alternate valuation
generally, **4:22**
death of surviving annuitant within alternate valuation period, **4:23**
Combination annuity-insurance contracts, gross estate determinations as to payments under, **2:293**
Commercial annuities
charitable gift annuity funded with, gift tax deduction, **16:82**
fair market value
generally, **3:210**
settlement agreements secured by commercial annuities, **3:310**
gift tax, terminable interest rule, commercial annuity bought for spouse, **16:146**
gift valuation, **17:169 et seq.**
partial termination of CRT followed by purchase of commercial annuity for benefit of individual CRT beneficiaries, deductions, **16:123**
Death of surviving annuitant within alternate valuation period, **4:23**
Employees' annuities, gift tax, **14:100, 14:101**
Estate tax, **2:283**
Gift tax, exclusions, **16:22, 16:26**
**Grantor Retained Annuity Trusts** (this index)
**Gross Estate Determinations** (this index)
Joint and survivor annuities, qualified terminable interest property, **16:173**
1985 legislation, gross estate determinations, **2:298**
Private annuities
gift valuation, **17:145**
tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
Property interest or lifetime transfer, gross estate determinations, **2:297**
Qualified personal residence trusts, annuities conversions, **17:116, 17:117**
Qualified terminable interest property, joint and survivor annuities, **16:173**
Retained life estates, annuity trust as conduit to pay income to transferor, **2:151**
Taxable estate marital deduction, annuity payment obligations, **6:148**

**ANNUITIES—Cont'd**
Terminable interest rule for marital deductions
annuity with power of appointment, **6:166**
surviving spouse's lifetime annuity interest, **6:196**

**ANTENUPTIAL AGREEMENTS**
**Prenatal Agreements** (this index)

**APOCALYPSE FAMILY TRUSTS**
Gift tax, **14:120**

**APPEALS**
Collection appeals program (CAP)
generally, **12:85**
other appeals, **12:86**
Interim guidance to tax auditors on pre-appeals conference procedures, **App. G**
Refund claims, district court actions, **20:32**
Right to appeal, **App. P**
Settlements of estate tax disputes, **11:27**

**APPOINTEES**
Reimbursement for estate tax payment
generally, **10:16**
surviving spouses, **10:17**

**ARBITRATION CLAUSES**
Crummey withdrawal rights as creating present interest transfer notwithstanding, **16:45**

**ART WORKS**
Charitable deductions
estate tax, **6:279**
gift tax, **16:133**
**Fair Market Value** (this index)
Gift tax, loans of qualified works of art as taxable transfer, **14:149**
Gross estate determinations, loaned qualified works of art, **2:101**
Nonresidents not citizens gross estate determinations, art work on exhibit in US, **8:29**
Taxable estate, marital deduction, interest passing requirement, **6:111**
Valuing fine art, importance of prior and subsequent sales, **3:270**

**ASSESSMENT**
Generally, **12:1 et seq.**
Abatement of assessments
generally, **12:77**
clerical errors, **12:78**
jeopardy assessments, **12:79**
Bonds
generally, **12:13**

**ASSESSMENT—Cont'd**
Bonds—Cont'd
form of bond, **12:14**
jeopardy assessments, **12:31**
Burden of proof, **12:8 et seq.**
Clerical errors
generally, **12:4**
abatement of assessment, **12:78**
Closing letter, assessment after, **10:86**
Collection of unpaid portion, **12:12**
Deficiencies
generally, **12:5**
gift tax, **12:5**
Notice of deficiencies, below
when assessed, estate tax, **11:23**
Disclaimer of liability, effect of, **12:3**
Effect of disclaimer of liability, **12:3**
Errors
generally, **12:4**
abatement of assessment, **12:78**
Estate beneficiaries liability for unpaid estate tax if time for issuing an assessment has expired, **10:26**
Estate tax
closing letter, assessment after, **10:86**
deficiency, when assessed, **11:23**
estate beneficiaries liability for unpaid estate tax if time for issuing an assessment has expired, **10:26**
liability for unpaid estate tax if time for issuing an assessment has expired, **10:26**
waiver of restrictions on assessment and collection of deficiency, **11:34**
Estate tax deficiencies, **12:5**
Evidence, **12:8 et seq.**
Extensions of limitation periods, **12:17**
Fiduciaries, limitations period for assessment against, **12:19 et seq.**
Gift tax
assessment restrictions, waivers of, **18:46**
jeopardy assessments, **18:40**
limitations on assessment, **18:41**
restrictions on assessments, waivers of, **18:46**
waiver of restrictions on assessments, **18:46**
Incorrect application of income tax payment to estate tax not correctable after expiration of limitations period, **12:16**
Injunctions, **12:11**
Invalid assessment, effect on deficiency notice, **12:7**
**Jeopardy Assessments** (this index)
Liability, effect of disclaimer of, **12:3**

**ASSESSMENT—Cont'd**
**Liens, Federal Tax** (this index)
Limitation periods
generally, **12:15 et seq.**
extensions, **12:17**
fiduciaries, assessment against, **12:19 et seq.**
incorrect application of income tax payment to estate tax not correctable after expiration of limitations period, **12:16**
suspension of running of period of limitations, **12:21**
transferees, assessment against, **12:19 et seq.**
Limitations on assessments
generally, **18:41**
waivers of, **18:46**
Local property tax assessments
generally, **3:47**
assessed value, **3:48**
Mathematical or clerical errors
generally, **12:4**
abatement of assessment, **12:78**
Notice of deficiencies
generally, **12:6**
invalid assessment, effect on, **12:7**
**Payment of Tax** (this index)
Priority, federal priority statute, **12:9**
**Refund Claims** (this index)
Sales of property seized under jeopardy assessment, **12:32**
Stays of jeopardy assessments, **12:30**
Suspension of running of period of limitations, **12:21**
Tax court decisions, jeopardy assessments, **12:29**
Tax liens. See **Liens, Federal Tax** (this index)
**Taxpayers' Remedies** (this index)
Transferees, assessment against, limitation periods, **12:19 et seq.**
Waivers of restrictions on assessments
estate tax, **11:34**
gift tax, **18:46**
When made, **12:2**

**ASSET PROTECTION TRUSTS**
Gift tax, **14:56**
Transfers with retained life estates, gross estate determinations, **2:170**

**ASSIGNMENTS**
Community property life insurance policies, **2:69**
Life insurance policy assignments, gross estate determination effects
generally, **2:67 et seq.**

**ASSIGNMENTS—Cont'd**
Life insurance policy assignments, gross estate determination effects—Cont'd
community property life insurance, **2:69**
group policies, **2:68**
Market valuation discounts, assignee discounts, **22:34**
Notes, fair market value, **3:202**
Wrongful death claims assignments as taxable transfers, **14:160**

**ASTRONAUTS**
Estate tax computation, **7:15**

**ATTORNEYS' FEES**
Contingent obligations, fair market value, **3:301**
District court action awards, **20:27**
Estate tax deductions
generally, **6:7**
forms
generally, **6:24**
nonprobate assets, **6:26**
Taxable estate deductions, **6:7**

**ATTORNEYS-IN-FACT TRANSFERS**
Gross estate determinations, revocable transfers
generally, **2:207**
authority issues, **2:208**

**AUCTION SALES**
Fair market value, estate tax valuation, **3:26, 3:27**

**AUTHORITY**
Attorney-in-fact transfers, authority issues, **2:208**
Gift tax
authority for proceedings, **13:8**
authority to make taxable transfers, **14:38**
Return, authority to sign, **11:9**
**Settlements of Tax Disputes** (this index)
Tax Information Authorization, Form 8821, **11:10**

**AUTOGRAPHS**
**Fair Market Value** (this index)

**AUTOMOBILES**
Fair market value, **3:275**

**BANK ACCOUNTS**
Joint bank accounts, disclaimers of interests as taxable transfers, **14:84**

**BANK DEPOSITS**
**Checks** (this index)
**Gross Estate Determinations** (this index)

**BANKRUPTCY**
Estate tax collection, pre-bankruptcy petition disclaimer of inheritance, **12:41**

**BARGAIN SALES**
Fair market value, estate tax valuation, **3:12**

**BASIS**
Allocation of basis, Form 8939, **1:10**
Close corporation shares fair market value, beneficiary basis differing from estate tax fair market value, **3:129**
Fair market value of restricted shares and business interests, basis step up, **3:188**
**Filing of Tax Returns** (this index)
Form 8939, **1:10**
Gross estate determinations, jointly owned property, basis step-up, **2:79**
GST tax, basis adjustment of property transferred, **19:116**
Special use valuation, **5:6**
Taxable estate conservation easement exclusions, basis of the excluded property, **6:330**

**BENEFIT PLANS**
**Employees** (this index)

**BOATS**
**Fair Market Value** (this index)

**BONDS, INVESTMENT**
**Securities, Stocks, and Bonds** (this index)

**BONDS, TAX ASSESSMENT**
Generally, **12:13**
Form, **12:14**
Jeopardy assessments, **12:31**

**BOOKS**
**Fair Market Value** (this index)

**BURDEN OF PROOF**
Assessments, **12:8 et seq.**
Estate tax valuation, **3:2**
Market valuation discounts, shifting of burden to IRS, **21:14**

**BUSINESS INTERESTS**
**Closely-Held Businesses** (this index)
**Corporations** (this index)
**Fair Market Value** (this index)
**Family Businesses** (this index)
**Family Limited Partnerships** (this index)
Gift valuation, **17:143**
Goodwill. See **Fair Market Value** (this index)
**Gross Estate Determinations** (this index)

**BUSINESS INTERESTS—Cont'd**
**Limited Liability Companies** (this index)
**Limited Partnerships** (this index)
**Partnerships** (this index)

**BUSINESS PROPERTIES**
Special use valuation, **5:5**

**BUY-SELL AGREEMENTS**
Estate transfer freezes, **17:134**
Fair market value, restricted shares and business interests, **3:185 et seq.**

**CANADIAN LAW**
Estate tax, Canadian retirement plan's indirect holdings of shares in US corporations not subject to US estate tax, **2:299**

**CAPITAL GAINS TAX**
Discount for built-in capital gains tax, **22:21 et seq.**

**CASH**
**Gross Estate Determinations** (this index)

**CASUALTY LOSSES**
**Taxable Estate** (this index)

**CAUSA MORTIS GIFTS**
See also **Death-Bed Transfers** (this index)
Gift tax, **14:25**
Gross estate determinations
revocable transfers, **2:207**
transfers taking effect at death, **2:199**

**CERTIFICATES OF DEPOSIT**
Fair market value, **3:196**

**CHARITABLE LEAD TRUSTS (CLTs)**
Guaranteed annuity interest from, gift tax deductions
generally, **16:109**
determinable amount, **16:110**
regulation limiting, **16:111**
IRS Sample Form, **App. L**

**CHARITABLE LEAD UNITRUSTS (CLUTs)**
Gift tax, **14:4**

**CHARITABLE REMAINDER ANNUITY TRUSTS (CRATs)**
**Amount of Charitable Deduction** (this index)
Combining charitable remainder and lead unitrusts for gift tax deduction, **16:112**
Contributions as qualifying transfers, taxable estate charitable deductions, **6:258**
Election rights, spousal waivers, **6:264**

**CHARITABLE REMAINDER ANNUITY TRUSTS (CRATs)—Cont'd**
Interrelated death taxes on charitable remainder annuity trust with stated dollar annuity, effect of
generally, **6:267**
five percent test, **6:268**
Probability of exhaustion test, IRS sample CRAT provision avoids, **6:259**
**Reformation of Charitable Split Interests** (this index)
Remainder interests, gift tax deductions, **16:119**
Spousal waivers of right of election, **6:264**
Terms, compliance with, **6:235**

**CHARITABLE REMAINDER TRUSTS (CRTs)**
Contributions as qualifying transfers, taxable estate charitable deductions, **6:257, 6:263**
Correcting improper funding for gift tax deduction, **16:108**
IRS Sample Form, **App. K**
Partial termination of CRT followed by purchase of commercial annuities for benefit of individual CRT beneficiaries, deductions, **16:123**
Qualified charitable remainder trust where donor and spouse are not the only noncharitable beneficiaries, **16:138**
Qualified charitable remainder trust where donor and spouse are only noncharitable beneficiaries, **16:136**
Terminable interest rule for marital deductions, **6:185 et seq.**
Valuation of remainder
generally, **6:265**
terminal illness of life tenant, **6:266**

**CHARITABLE REMAINDER UNITRUSTS (CRUTs)**
Acceleration, charitable deduction, **16:114 et seq.**
**Amount of Charitable Deduction** (this index)
Combination CRUTs, **6:262**
Combining charitable remainder and lead unitrusts for gift tax deduction, **16:112**
Contributions as qualifying transfers, taxable estate charitable deductions, **6:260 et seq.**
Defective CRUT operated as a CRUT, reformation of charitable split interests, **6:286**
Election rights, spousal waivers, **6:264**
Financially disabled individual, trust for as recipient of a charitable remainder unitrust, **16:122**
FLIP-CRUTs, **6:262**
Income exception CRUT, charitable deductions, **16:126**

**CHARITABLE REMAINDER UNITRUSTS (CRUTs)—Cont'd**
Partition, charitable deduction, **16:114 et seq.**
Redemption, transfer of restricted stock to CRUT as, **16:81**
**Reformation of Charitable Split Interests** (this index)
Remainder interests, gift tax deductions, **16:119**
Spousal waivers of right of election, **6:264**
Taxable estate charitable deductions, unitrust income bequest as qualifying transfers, **6:275**
Transfer of restricted stock to as redemption, **16:81**
Trustee's allocation of unitrust amount among beneficiaries does not prevent trust from qualifying, **16:113**

**CHARITIES**
**Amount of Charitable Deduction** (this index)
Art works
estate tax deductions, **6:279**
gift tax deductions, **16:133**
Bequest of income interest as qualifying transfers, taxable estate charitable deductions, **6:273 et seq.**
Bequests of income and remainder interests as qualifying transfers, taxable estate charitable deductions, **6:252**
Charitable nontrust remainder in residence or farm as charitable deductions
generally, **6:271**
valuation, **6:272**
Claims against estate, deductibility of charitable pledges or subscriptions, **6:90**
Commercial annuity, gift tax deduction for charitable gift annuity funded with, **16:82**
Compromise settlement payments as qualifying transfers, taxable estate charitable deductions, **6:249, 6:250**
Contingent or conditional qualifying transfers, taxable estate charitable deductions, **6:251**
Contributions to pooled income funds as qualifying charitable deductions
generally, **6:269**
valuation of remainder, **6:270**
Copyrighted art works
estate tax deductions, **6:279**
gift tax deductions, **16:133**
Deductions, charitable
**Amount of Charitable Deduction** (this index)
CRUT, transfer of restricted stock to as redemption, **16:81**
**Gift Tax** (this index)
limitations, **16:121**

**CHARITIES—Cont'd**
Deductions, charitable—Cont'd
redemption, transfer of restricted stock to CRUT as, **16:81**
statutory interest paid on charitable bequest, **6:30**
**Taxable Estate** (this index)
transfer of restricted stock to CRUT as redemption, **16:81**
Disclaimer, qualifying as qualifying transfer, taxable estate charitable deductions, **6:248**
Disclaimer by noncharitable donee in favor of charity as qualifying transfer, taxable estate charitable deductions, **6:245, 6:246**
Disclaimer of waiver of QTIP tax recovery as qualifying transfer, taxable estate charitable deductions, **6:247**
Educational organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Election to take against will as qualifying transfers, taxable estate charitable deductions, **6:254**
Estate tax deductions. See **Taxable Estate** (this index)
Exercise of power of appointment as qualifying transfer, taxable estate charitable deductions, **6:244**
Fair market value
charitable contribution elections, **3:223, 3:232 et seq.**
date of valuation, alternate valuation date elections for charitable interest, **3:223, 3:232 et seq.**
Farms
charitable nontrust remainder as qualifying transfers, taxable estate charitable deductions
generally, **6:271**
valuation, **6:272**
outright remainder in, gift tax charitable deductions, **16:132**
Foreign charities and governments as qualified recipients and uses, taxable estate charitable deductions, **6:239**
Foreign charities gifts to, gift tax deductions, **16:89**
Fraternal organizations, deductible gifts to, **16:93**
**Gift Tax** (this index)
Gross estate determinations, checks payable to charity, **2:28**
Guaranteed annuity income bequest as qualifying transfers, taxable estate charitable deductions, **6:274**
Income bequests as qualifying transfers, taxable estate charitable deductions, **6:252**

**CHARITIES—Cont'd**
Income interest bequest as qualifying transfers, taxable estate charitable deductions, **6:273 et seq.**
Individuals, deductible gifts to, **16:95**
IRA, charity as beneficiary of, amount of charitable deduction, **6:295**
Literary organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Local governments, gifts to, gift tax deduction, **16:88**
Natural resources interests donations, valuations, **3:97**
1969 legislation, gift tax deductions, **16:86**
1970 legislation, taxable estate charitable deductions qualifying transfers, **6:255**
Non-qualifying split interest trust as qualifying transfers, taxable estate charitable deductions, **6:277**
Nonresidents not citizens, gift tax deductions, **16:87**
Nontrust bequest of undivided portion of entire interest as qualifying transfers, taxable estate charitable deductions, **6:278**
Organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Outright gift of undivided portion of donor's entire interest, gift tax deductions, **16:129 et seq.**
Outright remainder in personal residence or farm, gift tax deductions, **16:132**
Passing of interest, what constitutes, taxable estate charitable deductions, **6:256**
Payments in compromise settlement as qualifying charitable deductions, **6:249, 6:250**
Pledge or subscription claims against estate, deductibility, **6:90**
Pooled income funds
estate tax deductions
generally, **6:269**
valuation of remainder, **6:270**
gift tax deductions, **16:127**
Power of appointment releases and exercises as qualifying transfer, taxable estate charitable deductions, **6:244**
Private foundations, transfers to, taxable estate charitable deductions, **6:242**
Purpose or use requirements, taxable estate charitable deductions, **6:241**
QTIP tax recovery waiver, disclaimer of as qualifying transfer, taxable estate charitable deductions, **6:247**
QTIP trust remainder interest transfers to, **14:20**

**CHARITIES—Cont'd**
Qualifications of charitable beneficiary, **16:124**
Qualified charitable deductions
generally, **16:84**
unqualified deductions, **16:85**
Qualified conservation contributions as qualifying estate deductions, **6:280**
Qualified disclaimer as qualifying transfer, estate deductions, **6:248**
Qualified recipients and uses, estate deductions, **6:238 et seq.**
Qualifying uses, gift tax deduction, **16:83 et seq.**
Recipient organization qualifications, estate deductions, **6:240**
**Reformation of Charitable Split Interests** (this index)
Release of power of appointment as qualifying transfer, taxable estate charitable deductions, **6:244**
Religious organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Remainder interest bequests as qualifying estate deductions, **6:252**
Residence, charitable nontrust remainder as qualifying estate deductions
generally, **6:271**
valuation, **6:272**
Residence, outright remainder in, gift tax deductions, **16:132**
Scientific organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Settlement payments as qualifying estate deductions, **6:249, 6:250**
Split interests. See **Reformation of Charitable Split Interests** (this index)
Supporting organizations, gift tax deductions, **16:91**
Taxable estate, deductibility of statutory interest paid on charitable bequest, **6:30**
Ten percent rule, gift tax deduction, **16:125**
Terminable interest rule for marital deductions, charitable remainder trusts, **6:185 et seq.**
Terrorism victims, deductible gifts to, **16:96**
Transfers to not subject to gift tax, **18:11**
United States, gifts to, gift tax deduction, **16:88**
Unitrust income bequest as qualifying transfer for deductions, **6:275**
Uses, qualifying, gift tax deduction, **16:83 et seq.**
Waiver of QTIP tax recovery, disclaimer of as deduction, **6:247**

**CHARITIES—Cont'd**
War veterans organizations, deductible gifts to, **16:94**
What constitutes passing of interest, taxable estate charitable deductions, **6:256**

**CHECKS**
Gifts made by
generally, **14:28**
timing year-end gift checks, **14:29, 16:14**
Gross estate determinations
checks payable to charity, **2:28**
checks payable to noncharitable donees, **2:29**

**CHILDREN AND MINORS**
**Adoption** (this index)
Court appointed guardians, gifts by, gift tax exclusions
generally, **16:27**
state law, **16:69**
Custodian accounts for minors, revocable transfers, **2:220**
Disclaimers of interests by minor beneficiaries as taxable transfers, **14:70**
**Gift Tax** (this index)
Insufficient consideration transfers, child support, **14:47**
Powers of appointment to minor donees, gross estate determinations, **2:271**
Revocable transfers, custodian accounts for minors, **2:220**
Support obligations
gift tax on insufficient consideration transfers, **14:47**
insufficient consideration transfers, gift tax, **14:47**
Trump accounts, **16:76**

**CITIZENSHIP**
Definition, citizen of a US possession, **14:15**
Estate tax, US citizens residing in US possessions
generally, **8:20**
credits, **8:61**
**Expatriates** (this index)
**Nonresidents Not Citizens** (this index)
Status issues, nonresidents not citizens, **8:12**
Unified credit for citizens of US possessions, **8:3**

**CLAIMS**
Contingent claims, deductibility, **6:83**
Deductibility of claims against estates. **Taxable Estate** (this index)
**Fair Market Value** (this index)
**Gross Estate Determinations** (this index)

**CLAIMS—Cont'd**
Litigation, fair market value of claims in, **3:304**
Tax refund claims. See **Refund Claims** (this index)
Unmatured claims, taxable estate deductibility, **6:83**

**CLERICAL ERRORS**
Generally, **12:4**
Abatement of assessment, **12:78**

**CLOSELY-HELD BUSINESSES**
Deferrals, stock redemptions as cause loss of IRS guidance, **10:46**
Filing tax returns, estate tax, **9:7, 9:8**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
IRS guidance when stock redemptions cause loss of estate tax deferral, **10:46**
Lease of land to LLCs does not cause loss of estate tax deferral, **10:47**
Leases to, special use valuation election requirements, **5:30**
Qualifying real estate for estate tax deferral, **10:40, 10:42**
Qualifying rental and finance activities as trade or business for estate tax deferral, **10:41**
S corporation status, Section 645 election termination as affecting sub S status, **10:48**
Section 645 election termination as cause of loss of estate tax deferral or as affecting sub S status, **10:48**
Special use valuation election requirements, **5:44**
Stock redemptions as cause loss of estate tax deferral, IRS guidance when, **10:46**
Trade or business requirement, installment payments of estate tax, **10:39**
Trust distribution as cause of loss of Section 6166 estate tax deferral, **10:49**
Valuation of interests
generally, **3:118 et seq.**
**Fair Market Value** (this index)
gift valuation, **17:139**

**CLOSING AGREEMENTS**
**Settlements of Tax Disputes** (this index)

**CLOSING LETTERS**
Assessment after, **10:86**
**Settlements of Tax Disputes** (this index)

**CLT**
**Charitable Lead Trusts** (this index)

**CLUT**
**Charitable Lead Unitrusts** (this index)

**COIN COLLECTIONS**
**Fair Market Value** (this index)

**COLLECTION OF TAX**
Appeal rights, **12:80**
Appeals program (CAP)
generally, **12:85**
other appeals, **12:86**
Assessment restrictions, waivers of, **18:46**
Assessments, collection of unpaid portion, **12:12**
Compromises, gift tax, **18:46**
Credits, gift tax, **18:45**
**Criminal Penalties** (this index)
Declaratory judgments relating to value of certain gifts, **18:35**
Discharge of executor
continuance of tax lien after, **12:48**
gift tax, **18:39**
Disclaimer of inheritance, pre-bankruptcy petition, **12:41**
Dispositions by spouse, transferee, and others, tax liens, **12:49**
Divestment of tax liens, **12:45**
Due process
generally, **12:81**
withdrawal of request for collection due process hearing, **12:83**
Equivalent hearings, **12:84**
Estate tax, **12:1**
Executor discharges, gift tax liabilities, **18:39**
Extension of collection period, **12:24**
Fiduciaries, suits against, **12:38**
Forms, Application for Certificate Discharging Property Subject to Estate Tax Lien, **12:53**
Gift tax
generally, **18:34 et seq.**
assessment restrictions, waivers of, **18:46**
closing agreements, **18:46**
collection of unpaid tax; remedies, **18:36**
compromises, **18:46**
credits, **18:45**
declaratory judgments relating to value of certain gifts, **18:35**
discharge of executor, **18:39**
examination of return and procedure, **18:34**
interest, **18:42**
limitations on collection, **18:41**
nonresidents not citizens, **18:48**
notice of fiduciary relationship, **18:44**
penalties, **18:42**
refunds, **18:45**
remedies, collection of unpaid tax, **18:36**

**COLLECTION OF TAX—Cont'd**
Gift tax—Cont'd
restrictions on assessments, waivers of, **18:46**
tax liens, **18:37**
tax return preparer penalties, **18:49**
transferee liability for gift tax based on stipulated value, **18:38**
transferred assets, **18:43**
waiver of restrictions on assessments, **18:46**
Hearings
administrative costs, **12:87**
equivalent, **12:84**
litigation costs, **12:87 et seq.**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
Interest, gift tax, **18:42**
**Jeopardy Assessments** (this index)
Joint and several liability for tax, splitting of gifts by spouses, **16:181**
Levy against spendthrift trust, **12:40**
Levy of property, **12:34 et seq.**
**Liens, Federal Tax** (this index)
Limitation periods
generally, **12:22 et seq.**
extension of collection period, **12:24**
statute of limitations, case study, applicability, **12:23**
suspension of collection period, **12:25**
Limitations on collection, gift tax, **18:41**
Nonresidents not citizens
generally, **12:92**
gift tax, **18:48**
transfer certificates, **12:93 et seq.**
Payment of estate tax, withholding of collection, **11:39**
**Payment of Tax** (this index)
Penalties, gift tax, **18:42**
Pre-bankruptcy petition disclaimer of inheritance, **12:41**
**Refund Claims** (this index)
Refunds, gift tax, **18:45**
Remedies for collection of unpaid taxes
generally, **12:33, 12:33 et seq.**
levy against spendthrift trust, **12:40**
levy of property, **12:34 et seq.**
spendthrift trust, levy against, **12:40**
Suits, collection, below
Remedies for collection of unpaid taxes. See **Liens, Federal Tax** (this index)
Restrictions on assessments, waivers of, **18:46**

**COLLECTION OF TAX—Cont'd**
Return filing status, discharge of estate tax lien, **12:52**
Splitting of gifts by spouses, joint and several liability for tax, **16:181**
Suits, collection
generally, **12:37 et seq.**
disclaimer of inheritance, pre-bankruptcy petition, **12:41**
fiduciaries, suits against, **12:38**
levy against spendthrift trust, **12:40**
pre-bankruptcy petition disclaimer of inheritance, **12:41**
spendthrift trust, levy against, **12:40**
transferees, suits against, **12:38**
transferred realty subject to estate tax lien, **12:39**
Suspension of collection period, **12:25**
**Taxpayers' Remedies** (this index)
Tax return preparer penalties
generally, **12:96**
gift tax, **18:49**
Transfer certificates, nonresidents not citizens, **12:93 et seq.**
Transferees liability
gift tax based on stipulated value, **18:38**
suits against, **12:38**
Transferred assets, gift tax, **18:43**
Waiver of restrictions on assessments, gift tax, **18:46**

**COMMUNICATIONS**
Rights of taxpayers, privileged communications, **12:91**

**COMMUNITY PROPERTY**
Administering community property expenses, taxable estate deductibility, **6:41**
Determining whether decedent's property was community or common law property, **8:37**
Estate tax deductions
administration expenses, **6:41**
funeral expenses, **6:13**
last illness expenses, **6:13**
Expenses of community property, administering, taxable estate deductibility, **6:41**
Fair market value
generally, **3:306**
life insurance, **3:209**
Funeral expenses, taxable estate deductions, **6:13**
Gift tax
generally, **14:97**
life insurance purchased with community property, **14:99**

**COMMUNITY PROPERTY—Cont'd**
Gross estate determinations
generally, **2:89**
Life insurance, gross estate inclusion, below
nonresidents not citizens, **8:36, 8:37**
separate property agreements, **2:65**
transfers with retained life estates, **2:176**
IRS guidance, gross estate determinations, community property life insurance, **2:62**
Last illness expense deductions, taxable estate, **6:13**
Life insurance
fair market value, **3:209**
gross estate inclusion
acquisition of policy prior to community, **2:63**
assignments of policies, **2:69**
cross purchases, **2:64**
gross estate determinations, **2:65**
insurance receivable by estate or for its benefit, **2:37**
insurance receivable by other beneficiaries, **2:60 et seq.**
IRS guidance, **2:62**
separate property agreements, **2:65**
purchase with community property, disclaimers of interests as taxable transfers, **14:99**
Nonresidents not citizens, gross estate determinations, **8:36, 8:37**
Separate property agreements, gross estate determinations, **2:65**
Special use valuation, community real property election requirements, **5:26**
Transfers with retained life estates, gross estate determinations, **2:176**
Wyly case, **2:176**

**COMPARABLES**
**Fair Market Value** (this index)
Real property valuation
generally, **3:77, 3:80**
sales after valuation date, **3:79**
Replacement cost valuation compared, **3:24**
Restricted shares and business interests, **3:157**
Sales after valuation date, real property valuation, **3:79**
Special use valuation, formula method of determining special use value, **5:61**

**COMPENSATION**
Annuities and pensions, compensation for services includible, **2:286**
Deferred compensation claims under employment contract, fair market value, **3:303**

**COMPENSATION—Cont'd**
Gift tax, compensation or gift
generally, **14:10**
excessive compensation, **14:53**
Life insurance, control of trustee's compensation, **2:48**

**COMPETENCY**
**Children and Minors** (this index)
**Incompetents** (this index)

**COMPROMISES**
Collection of gift tax, **18:46**
Settlements of estate tax disputes, **11:37**

**COMPUTATION OF TAX**
Generally, **7:1 et seq., 17:178 et seq.**
Additional estate tax imposed on excess retirement accumulation of estates of decedents dying on or before December 31, 1996, **7:51**
Annual exclusion amounts, gift tax, **17:179**
Applicable fraction, GST tax
generally, **19:101, 19:102**
charitable lead annuity trusts, **19:108**
Astronauts, estate tax, **7:15**
Basis adjustment of property transferred, GST tax, **19:116**
Charitable lead annuity trust, applicable fraction for, GST tax, **19:108**
**Credits, Tax** (this index)
Deduction from estate taxes for state death taxes, estate tax, **7:17**
Deemed GST tax, gift splitting and, **19:110**
Disclaimers, GST tax, **19:117**
Disclosure rules
Chapter 14 rules, **17:183**
estate transfer freezes, **17:183**
1997 legislation, **17:184 et seq.**
Equitable recoupment, estate tax
generally, **7:4**
QTIP, improper inclusion, **7:5**
Estate tax
generally, **7:1 et seq.**
astronauts, **7:15**
credit for state death taxes applicable to estates of decedents dying prior to 2005, **7:16**
deduction for state death taxes, **7:17**
equitable recoupment
generally, **7:4**
QTIP, improper inclusion, **7:5**
**Foreign Death Taxes Credit** (this index)
gift taxes paid on pre-1977 transfers, credit for, **7:18 et seq.**

**COMPUTATION OF TAX—Cont'd**
Estate tax—Cont'd
GST tax, inclusion period, **19:107**
inclusion period, GST tax, **19:107**
1997 legislation, **17:182**
nonresidents not citizens, **8:2**
prior transfers, credits for estate tax paid on, **7:26 et seq.**
recoupment, equitable
generally, **7:4**
QTIP, improper inclusion, **7:5**
special treatment for split gifts made within three years of death, **7:3**
Special use valuation, recapture of estate tax, below
special valuation rules, **7:2**
split gifts made within three years of death, special treatment for, **7:3**
state death taxes credits
estates of decedents dying prior to 2005, **7:16**
special use valuation recapture, **5:106**
United States military personnel, **7:15**
victims of terrorism, **7:15**
when due, special use valuation recapture of estate tax, **5:111**
Estate transfer freezes, disclosure rules, **17:183**
Exclusions, gift tax, annual exclusion amounts, **17:179**
Exemptions. See **Qualified Domestic Trusts** (this index)
Finally determined for gift tax purposes, **17:181**
**Foreign Death Taxes Credit** (this index)
Gifts, nontaxable, GST tax, **19:104**
Gift splitting and the deemed GST tax, **19:110**
Gift tax
generally, **17:178 et seq.**
annual exclusion amounts, **17:179**
disclosure rules
generally, **17:183**
1997 legislation, **17:184 et seq.**
statute of limitations, **17:187**
finally determined for gift tax purposes, **17:181**
indexing, **17:179**
1997 legislation, **17:180**
1997 legislation disclosure rules, **17:184 et seq.**
portability, 2010 legislation, **17:191**
pre-1977 transfers, estate tax credit, **7:18 et seq.**
rate schedule, **17:190**
statute of limitations, **17:187**
2010 legislation, portability, **17:191**

**COMPUTATION OF TAX—Cont'd**
Gift tax—Cont'd
unified credit amount
generally, **17:189**
void gifts, restoration of unified credit, **17:192**
void gifts, restoration of unified credit, **17:192**
GST tax
generally, **19:94 to 19:132**
applicable fraction
generally, **19:101, 19:102**
charitable lead annuity trust, **19:108**
basis adjustment of property transferred, **19:116**
charitable lead annuity trust, applicable fraction for, **19:108**
credit for state generation-skipping transfer taxes, **19:112**
deemed GST tax, gift splitting and, **19:110**
disclaimers, effect of, **19:117**
estate tax inclusion period, **19:107**
examples, **19:109**
gifts, nontaxable, **19:104**
gift splitting and the deemed GST tax, **19:110**
inclusion ratio, **19:100**
intervivos transfers in trust, **19:105, 19:106**
limitation on personal liability of trustee, **19:118**
misstatements of valuation, **19:119**
multiple skips, taxation of, **19:113**
multiple transfers made to trust, special rules, **19:114**
nontaxable gifts, **19:104**
personal liability of trustee, limitation on, **19:118**
power of appointment, testamentary over skip trusts, **19:115**
skip trusts, testamentary power of appointment over, **19:115**
special rules where multiple transfers made to trust, **19:114**
special valuation rules, **19:103**
taxable amount for direct skips, **19:97**
taxable amount for taxable distributions, **19:95**
taxable amount for taxable terminations, **19:96**
taxation of multiple skips, **19:113**
tax rate, **19:99**
testamentary power of appointment over skip trusts, **19:115**
trustee, limitation on personal liability of, **19:118**
valuation of property
generally, **19:98**
availability of alternate valuation election, **19:120**
election of alternate valuation, **19:120**

**COMPUTATION OF TAX—Cont'd**
GST tax—Cont'd
valuation of property—Cont'd
misstatements of valuation, **19:119**
special valuation rules, **19:103**
Inclusion ratio, GST tax, **19:100**
Indexing, gift tax, **17:179**
Interrelated Computations (Pub. 904), **App. I**
Intervivos transfers in trust, GST tax, **19:105, 19:106**
Limitation on personal liability of trustee, GST tax, **19:118**
Misstatements of valuation, GST tax, **19:119**
Multiple skips, taxation of, GST tax, **19:113**
Multiple transfers made to trust, special rules, GST tax, **19:114**
1997 legislation
disclosure rules, **17:184 et seq.**
estate tax, **17:182**
gift tax, **17:180**
Nonresidents not citizens estate tax, **8:2**
Nontaxable gifts, GST tax, **19:104**
Personal liability of trustee, limitation on, GST tax, **19:118**
Power of appointment, testamentary over skip trusts, GST tax, **19:115**
Prior transfers, credits for estate tax paid on, **7:26 et seq.**
QDOTs, tax on, **7:52 et seq.**
**Rates, Tax** (this index)
Recoupment, equitable, estate tax
generally, **7:4**
QTIP, improper inclusion, **7:5**
Skip trusts, testamentary power of appointment over, GST tax, **19:115**
Special rules where multiple transfers made to trust, GST tax, **19:114**
Special use valuation, recapture of estate tax
generally, **5:91 et seq., 5:110 et seq.**
additional tax computation, **5:104**
adjusted tax difference, **5:105**
liability for recapture tax, **5:112**
state death tax credits, **5:106**
when due, **5:111**
Special valuation rules, estate tax, **7:2**
Split gifts made within three years of death, special treatment for estate tax computation, **7:3**
State death taxes applicable to estates of decedents dying prior to 2005, credit, **7:16**
Statute of limitations, gift tax, **17:187**
Taxable amount for direct skips, GST tax, **19:97**

**COMPUTATION OF TAX—Cont'd**
Taxable amount for taxable distributions, GST tax, **19:95**
Taxable amount for taxable terminations, GST tax, **19:96**
Taxation of multiple skips, GST tax, **19:113**
Tax rates. See **Rates, Tax** (this index)
Testamentary power of appointment over skip trusts, GST tax, **19:115**
Trustee, limitation on personal liability of, GST tax, **19:118**
Unified credit amount, gift tax
generally, **17:189**
void gifts, restoration of unified credit, **17:192**
US military personnel, estate tax, **7:15**
Valuation of property, GST tax
generally, **19:98**
availability of alternate valuation election, **19:120**
election of alternate valuation, **19:120**
misstatements of valuation, **19:119**
Victims of terrorism, estate tax, **7:15**

**CONGRESSIONAL INTENT**
Marital deduction, **16:137**
Special use valuation, Congressional purpose, **5:17**

**CONSERVATION**
Donations of natural resources interests, valuations, **3:97**
Qualified conservation contributions, taxable estate charitable deductions, **6:280**
Special use valuation, woodlands elections
generally, **5:90**
requirements, **5:23**

**CONSERVATION EASEMENTS**
Basis of the excluded property, taxable estate exclusions, **6:330**
Debt, treatment of, taxable estate exclusions, **6:327**
Development rights, retained, taxable estate exclusions, **6:328**
Fair market value, **3:75**
Gift tax deductions
generally, **16:102**
valuation, **16:104, 16:105**
Retained development rights, treatment of, estate tax exclusions, **6:328**
**Taxable Estate** (this index)
Valuation, **16:104, 16:105**

**CONSIDERATION**
Adequacy of consideration
claims against estate deductions, **6:51 et seq.**

**CONSIDERATION—Cont'd**
Adequacy of consideration—Cont'd
gross estate determinations
definitions, **2:128 et seq.**
non-spousal joint tenancies, **2:76**
Adequate and full consideration, fair market value of restricted shares and business interests, **3:168**
Claims against estate deductibility
adequacy of consideration, **6:51 et seq.**
consideration passing to other than the decedent, **6:59**
Definition, **14:40**
Disclaimer, receiving consideration for, **14:65**
Estate freeze transfers, valuation reductions, **17:47**
Fair market value of restricted shares and business interests
generally, **3:179**
adequate and full consideration, **3:168**
Furnished consideration, gross estate determinations, non-spousal joint tenancies, **2:77**
Gross estate determinations
adequate consideration, term defined, **2:128 et seq.**
non-spousal joint tenancies
adequacy issues, **2:76**
furnished consideration, **2:77**
mortgaged property, **2:80**
Insufficient consideration transfers
**Gift Tax** (this index)
gross estate determinations, **2:127**
Marital rights relinquishment as, **2:132**
Mortgaged property gross estate determinations, non-spousal joint tenancies, **2:80**
Non-spousal joint tenancies, gross estate determinations
furnished consideration, **2:77**
mortgaged property, **2:80**
Relinquishment of marital rights as, **2:132**
Restricted shares and business interests, fair market value
generally, **3:179**
adequate and full consideration, **3:168**
Taxable estate claims deductions, consideration adequacy, **6:51 et seq.**

**CONTINGENT CLAIMS**
Taxable estate deductibility, **6:83**

**CONTINGENT INTERESTS**
Charities, contingent or conditional qualifying transfers, taxable estate deductions, **6:251**

**CONTINGENT INTERESTS—Cont'd**
Claims
post-death contingencies, estate tax valuation, **3:17**
taxable estate deductibility, **6:83**
Estate freeze transfers, QPRT contingent remainder, **17:110**
Gifts, discount for present value of donees' obligation to pay contingent estate tax under Section 2035, **17:9**
Gift splitting by spouses, **16:184**
Gift splitting by spouses, contingent interests, **16:184**
Legal fees, fair market value, **3:301**
Marital and palimony obligation deductions, marriage or remarriage contingencies, **6:79**
Marriage or remarriage contingencies, marital obligation deductibility, **6:79**
Mortgages, contingent cancellation provisions, **3:204**
Powers of appointment subject to conditions or contingencies. See **Gross Estate Determinations** (this index)
Present value of donees' obligation to pay contingent estate tax under Section 2035, **17:9**
**Remainders** (this index)
Remarriage contingency susceptible to valuation, **6:79, 7:35**
Splitting of gifts by spouses, **16:184**
Terminable interest rule for marital deductions, contingent QTIP election, **6:205**

**CONTINGENT LEGAL FEE**
Fair market value, **3:301**

**CONTROL**
Claims against estate deductibility, loans from controlled entity, **6:60**
**Corporations** (this index)
Disclaimer to convert controlling interest into a minority interest, **3:107**
Estate freeze transfers, **17:31**
Family limited partnerships, controlling interests held by non-family members, **3:159**
Life insurance
control of trustee's compensation, **2:48**
corporate-owned insurance on sole or controlling shareholder
generally, **2:57**
control indicia, **2:58**
Market valuation discounts
control premium, **21:6**
minority interest or lack of control discount, **22:5**

**CONTROL—Cont'd**
Restricted shares and business interests, controlling interests issues, **3:159**
Revocable transfers, decedent's control over selection of trustee, **2:217**
Transfers with retained life estates, retention of voting rights in controlled corporation, **2:177, 2:178**

**CONVERSION**
**Involuntary Conversion** (this index)

**CONVEYANCES**
Gross estate determinations, conveyances of real estate by decedent, **2:17**

**COOPERATIVE HOUSING**
Stock interests, gross estate determinations, **2:18**

**CORPORATIONS**
Alternate valuation
dividends, **4:17**
undistributed corporate earnings, **4:18**
Built-in gains tax discount following conversion from C to S corporation, **22:28**
Claims against estate deductibility, related corporation transactions, **6:58**
**Closely-Held Businesses** (this index)
Control, estate freeze transfers, **17:31**
Controlling blocks of securities. **Fair Market Value** (this index)
Dividends, alternate valuation, **4:17**
**Estate Freeze Transfers** (this index)
**Family Businesses** (this index)
Gift tax
exclusions of gifts to, **16:55**
returns, filing requirements, **18:13**
Gross estate determinations
corporate interests transfers with retained voting rights in, **2:177, 2:178**
life insurance, corporate-owned on sole or controlling shareholder
generally, **2:57**
control indicia, **2:58**
nonresidents not citizens
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
transfers with retained life estates, **2:152**
US assets held by foreign corporation but beneficially owned by nonresident alien, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**

**CORPORATIONS—Cont'd**
Gross estate determinations—Cont'd
US assets owned through foreign corporation by nonresident alien, **8:30**
**Holding Companies** (this index)
Life insurance, corporate-owned on sole or controlling shareholder, gross estate determinations
generally, **2:57**
control indicia, **2:58**
Property of, special use valuation election requirements, **5:27, 5:42**
Real estate, special use valuation elections, **5:74**
Related corporation transactions, claims against estate deductibility, **6:58**
S corporations
built-in gains tax discount following conversion from C to S corporation, **22:28**
market valuation discounts, **22:30**
status, Section 645 election termination as affecting sub S status, **10:48**
Special use valuation elections
closely-held businesses
generally, **5:44**
leases to, **5:30**
corporate-owned real estate, **5:74**
Special valuation rules
generally, **17:14 et seq.**
**Estate Freeze Transfers** (this index)
Undistributed corporate earnings, alternate valuation, **4:18**
US assets held by foreign corporation but beneficially owned by nonresident alien, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**

**COSTS**
District court action awards, **20:27, 20:28**

**CO-TENANCIES**
Fair market value, **3:307, 22:10**

**CRAT**
**Charitable Remainder Annuity Trusts** (this index)

**CREDITOR RIGHTS**
**Asset Protection Trusts** (this index)
Gifts in trust, **14:104**
**Spendthrift Trusts** (this index)

**CREDITS, TAX**
Calculating the credit, estate tax paid on prior transfers, credit for, **7:27**
Collection of gift tax, **18:45**
Date for valuation purposes, credit for estate tax paid on prior transfers, **7:33 et seq.**
Estates including pre-1977 gifts, estate tax paid on prior transfers, credit for, **7:39**
Estate tax
applicable exclusion and applicable credit amounts
generally, **7:9**
2001 and later deaths, **7:10**
credit for tax paid on prior transfers, **7:26 et seq.**
gift taxes paid on pre-1977 transfers, **7:18 et seq.**
Joint Committee on Taxation, technical amendment validating, **7:11**
portability, **7:12**
prior transfers, valuation of property transferred
generally, **7:31, 7:32**
date for valuation purposes, **7:33**
reformation of trust to preserve credit shelter, **7:14**
technical amendment validating Joint Committee on Taxation, **7:11**
unified credit, **7:9 et seq.**
Expatriation tax, unified credit under, **8:63**
**Foreign Death Taxes Credit** (this index)
Form 706-NA, **8:65**
Gift tax
collection of tax, **18:45**
nonresidents not citizens of US, gifts by, **15:10**
pre-1977 transfers, credit for estate tax paid, **7:18 et seq.**
unified credit amount
generally, **17:189**
structuring transfer to preserve, **14:36**
void gifts, restoration of unified credit, **17:192**
GST tax, credit for state generation-skipping transfer taxes, **19:112**
Joint Committee on Taxation, technical amendment validating, estate tax, **7:11**
Limitations
estate tax paid on prior transfers, credit for, **7:36, 7:37**
foreign death taxes credit, **7:42**
Multiple prior transfers, estate tax paid, credit for, **7:38**
Nonresidents not citizens
gifts by, taxable, **15:10**
unified credit for citizens of US possessions, **8:3**
Portability, estate tax, **7:12**

**CREDITS, TAX—Cont'd**
Preserving spouse's credit shelter with a power of appointment, **14:37**
Prior transfers, credit for estate tax paid on
calculating the credit, **7:27**
date for valuation purposes, **7:33 et seq.**
definitions
property, **7:28**
transfer, **7:29**
estate including pre-1977 gifts, **7:39**
limitations, **7:36, 7:37**
multiple prior transfers, **7:38**
percentage of credit for tax on prior transfers allowable, **7:40**
property, term definitions, **7:28**
recaptured estate tax attributable to special use valuation, treatment of, **7:30**
remarriage contingency susceptible to valuation, **7:35**
transfer, term definitions, **7:29**
valuation of property transferred
generally, **7:31, 7:32**
date for valuation purposes, **7:33**
Proof of right to foreign death taxes credit, **7:48**
Recaptured estate tax attributable to special use valuation, treatment of estate tax paid on prior transfers, credit for, **7:30**
Reformation of trust to preserve credit shelter, **7:14**
Refund claims, limitations on credits, **12:70**
Special use valuation, treatment of recaptured estate tax attributable to estate tax paid on prior transfers, credit for, **7:30**
State death taxes applicable to estates of decedents dying prior to 2005, credit, **7:16**
Technical amendment validating Joint Committee on Taxation, estate tax, **7:11**
Unified credit
citizens of US possessions, **8:3**
estate tax, **7:9 et seq.**
gift tax
generally, **17:189**
void gifts, restoration of unified credit, **17:192**
nonresidents not citizens, **8:60 et seq.**
structuring transfer to preserve spouse's unified credit, **14:36**
void gifts, restoration of unified credit, **17:192**
Void gifts, restoration of unified credit, **17:192**

**CRIMINAL PENALTIES**
Generally, **12:54**
Failure to make return or to supply information, **12:56**

**CRIMINAL PENALTIES—Cont'd**
Fraud and false statements, **12:57**
Wilful attempt to evade payment of tax, **12:54**
Wilful disclosure of false information as to a material matter, **12:58**
Wilful failure to collect, account or pay tax, **12:55**

**CROPS**
Fair market value, splitting crops and timber from farmland, **3:67**

**CROP SHARE LEASES**
Special use valuation election requirements, **5:40**

**CRT**
**Charitable Remainder Trusts** (this index)

**CRUT**
**Charitable Remainder Unitrusts** (this index)

**CURTESY**
Gross estate determinations, dower and curtesy, **2:19**

**DEATH**
Alternate valuation
amount receivable after death under pre-death right, **4:24**
annuities, death of surviving annuitant within alternate valuation period, **4:23**
post-death events, **4:2**
pre-death right, amount receivable after death under, **4:24**
Annuities, alternate valuation, death of surviving annuitant within alternate valuation period, **4:23**
Date of death
cash value for estate tax valuation, **3:10**
estate tax computations, **1:3**
Employee death benefits, gross estate determinations
generally, **2:205**
post-death benefits, **2:112 et seq.**
Fair market value
invasion rights after decedent's death in remainder and reversionary interests, **3:258**
last-to-die factors, **3:254**
Generation-skipping transfer tax step-up rule
death of descendant within 90 days of transfer, **19:24**
Interests held at death. **Gross Estate Determinations** (this index)
Invasion rights in remainder and reversionary interests after, fair market value, **3:258**

**DEATH—Cont'd**
Last-to-die factors, fair market value calculations, **3:254**
Post-death events, alternate valuation, **4:2**
Pre-death right, amount receivable after death under, alternate valuation, **4:24**
Presumption of death, filing estate tax returns, **9:10**
Reformation of charitable split interests, special rule where income beneficiary dies, **6:284**
**Simultaneous Death** (this index)
Special use valuation election requirements
pre-death ownership and use
generally, **5:32**
tacking, **5:34**
**Wrongful Death Proceeds** (this index)

**DEATH-BED TRANSFERS**
See also **Causa Mortis Gifts** (this index)
Gift tax
generally, **14:32**
exclusions, **16:15**
payment of estate and gift taxes within three-year period, **14:34**

**DEATH TAXES**
Generally, see **Estate Taxes** (this index)
Amount of charitable deduction, death taxes reduction
generally, **6:298**
election to deduct certain foreign death taxes, **6:300**
interrelated computations, **6:299**
Charitable remainder annuity trust with stated dollar annuity, effect of interrelated death taxes on
generally, **6:267**
five percent test, **6:268**
Deduction from estate taxes for state death taxes, **7:17**
Election to deduct certain foreign death taxes, **6:300**
Estate tax credit for state death taxes applicable to estates of decedents dying prior to 2005, **7:16**
Foreign death taxes, election to deduct, amount of charitable deduction, **6:300**
**Foreign Death Taxes Credit** (this index)
Taxable estate, deductibility
generally, **6:66**
marital deduction reduction, **6:137 et seq.**

**DEBT OBLIGATIONS**
Conservation easements debt treatment, taxable estate exclusions, **6:327**
Fair market value of private debt, **22:36**

**DEBT OBLIGATIONS—Cont'd**
Family debt as prearranged plan to avoid gift tax, **16:28**
Gift tax, family debt as prearranged plan to avoid, **16:28**
Gross estate determinations, nonresidents not citizens, **8:42 et seq.**
**Loans** (this index)
Market valuation discounts, private debt, **22:35**
Nonresidents not citizens
debt deductions, estate tax, **8:57**
debt obligation, gross estate determinations, **8:42 et seq.**
disclosure of foreign assets and debts requirements, **8:56 et seq.**
Special use valuation property, indebtedness deductions, **5:8**

**DECANTING**
Definition, **1:12**

**DECLARATION OF REPRESENTATIVE**
Settlements of estate tax disputes, **11:8**

**DECLARATORY JUDGMENTS**
Gifts valuation
generally, **17:3**
collection of tax, **18:35**
final regulations, **17:4**
Installment payments of estate tax, **10:77, 10:78, 12:90**

**DEDUCTIONS**
Charitable. See **Charities** (this index)
Estate tax. See **Taxable Estate** (this index)
**Gift Tax** (this index)
Installment payments of estate tax, deductibility of interest on installments, **10:74**
**Marital Deduction** (this index)
**Nonresidents Not Citizens** (this index)

**DEFENSE OF MARRIAGE ACT (DOMA)**
Taxable estate, marital deductions, **6:100**

**DEFICIENCIES**
**Assessment** (this index)
Extension of time for estate tax payment, **10:28**
Installment payments of estate tax
interest on deficiency, **10:55**
proration of deficiency where installment election made, **10:54**
proration of deficiency where installment election not made, **10:56**
Notice of
generally, **12:6**

**DEFICIENCIES—Cont'd**
Notice of—Cont'd
assessment, invalid, effect on deficiency notice, **12:7**
Refund claims, **12:74**
**Settlements of Tax Disputes** (this index)
When deficiencies disallowed, **12:74**

**DEFINITIONS**
Adequate consideration, **2:128 et seq.**
Adjusted value (gross estate), **5:50**
Adjusted value (property), **5:51**
Citizen of a US possession, **14:15**
Completed gift, **14:3**
Consideration, **14:40**
Decanting, **1:12**
Disabled decedents, **5:48**
Distribution, **4:3**
Exchange, **4:3**
Expatriate, **15:4**
Family member of family, **17:17**
Farms, farming purposes, **5:21**
Fixed or ascertainable standard, **14:119**
General power of appointment, **2:237**
Generation-skipping transfers, **19:2, 19:6 et seq.**
Gross estate, **1:4**
Involuntary conversion, **5:117**
Life insurance, **2:31, 2:33**
Liquidation rights, **17:71**
Member of family, **17:17**
Nongeneral power, **2:245**
Nonresident alien, **15:3**
Overpayment, **12:60**
Personal residence, **17:101**
Power of appointment (estate taxation), **2:228**
Power of appointment (gift taxation), **14:124**
Powers limited by an ascertainable standard, **2:191**
Qualified disclaimer, **14:62**
Qualified terminable interest property, **16:166**
Reformable interest, **6:283**
Reformation (qualified), **6:282**
Sale, **4:3**
Substantial adverse interest, **14:118**
Terminable interest, **6:153**
Terminally ill, **3:226**
Transfer, **2:125**
Voting rights, **17:70**

**DELIVERY**
Gift tax, delivery issues, **14:30, 14:31**

**DEPOSITS**
Gross estate determinations, nonresidents not citizens, **8:48, 8:49**
Suspension of interest liability on potential underpayments of estate tax, **10:89**

**DEPRECIABLE AND DEPLETABLE PROPERTY**
Fair market value
boats and ships, **3:277**
remainder interests, **3:265**
Gift valuation of remainder interest in, **17:168**

**DISABLED DECEDENTS**
Definition, **5:48**
Special use valuation election requirements, **5:47**

**DISCLAIMERS**
Assessments, effect of liability disclaimer, **12:3**
Bankruptcy, pre-bankruptcy petition disclaimers of inheritance, **12:41**
Bankruptcy, pre-petition disclaimer of inheritance, **12:41**
Children, disclaimers of interests by as taxable transfers, **14:70**
Community property, life insurance purchased with, disclaimers of interests as taxable transfers, **14:99**
Controlling interest, disclaimer to convert into a minority interest, **3:107**
Definition, qualified disclaimer, **14:62**
Estate tax. See **Taxable Estate** (this index)
Executors and administrators, disclaimer treated as taxable transfer, **14:74**
Federal tax liens, disclaimers and, **14:67**
**Generation-Skipping Transfer Tax** (this index)
**Gift Tax** (this index)
**Gross Estate Determinations** (this index)
Horizontal disclaimers, gross estate determinations of interests held at death, **2:8**
Inheritance, pre-bankruptcy petition disclaimer of, **12:41**
IRAs, disclaimers of interests as taxable transfers, **14:90 et seq.**
Joint bank accounts, disclaimers of interests as taxable transfers, **14:84**
Joint disclaimers of interests, **14:66**
Jointly-held property, disclaimers of interests as taxable transfers, **14:82**
Liability disclaimer, assessments affects, **12:3**
Life insurance purchased with community property, disclaimers of interests as taxable transfers, **14:99**

**DISCLAIMERS—Cont'd**
Market valuation discounts
effect on value, **22:33**
value determined after disclaimer, **21:13**
Minor beneficiaries, disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
Minors, disclaimers of interests by as taxable transfers, **14:70**
Noncharitable donee in favor of charity as qualifying transfer, taxable estate charitable deductions, **6:245**
**Nonresidents Not Citizens** (this index)
Powers of appointment disclaimers
gift tax, **14:81**
gross estate determinations, **2:276**
Pre-bankruptcy petition disclaimer of inheritance, **12:41**
QTIP tax recovery waiver, disclaimer of as qualifying transfer, taxable estate charitable deductions, **6:247**
Qualified disclaimer, term defined, **14:62**
**Qualified Terminable Interest Property** (this index)
Remainders on disclaimer failure, gift tax, **14:60**
Sample disclaimers, **14:68**
Special use valuation, effect of disclaimers, **5:19**
Spousal disclaimers
generally, **14:72 et seq.**
noncitizen surviving spouses, **14:83**
State disclaimer statutes, **14:93, App. E**
Taxable estate charitable deductions, qualified disclaimer as qualifying transfer, **6:248**
Voidable disclaimers of interests, **14:67**
Waiver of QTIP tax recovery, disclaimer of as qualifying transfer for charitable deduction, **6:247**

**DISCLOSURE**
Adequate disclosure rules, **17:183 to 17:188**
Chapter 14 rules, **17:183**
**Criminal Penalties** (this index)
Estate tax, disclose information regarding estate, **9:14**
Gift tax computation disclosure rules, 1997 legislation, **17:184 et seq.**
Gift valuation, IRS's obligation to disclose basis for, **17:2**
1997 legislation disclosure rules, gift tax computation, **17:184 et seq.**

**DISCOUNTS**
**Market Valuation Discounts** (this index)

**DISPUTED TAXES**
Deposits to suspend interest on potential underpayments, **10:89**
**Refund Claims** (this index)
**Settlements of Tax Disputes** (this index)

**DISTRICT COURT**
**Refund Claims** (this index)

**DIVERSIFIED LANDS**
Special use valuation election requirements, **5:22**

**DIVIDENDS**
Alternate valuation, **4:17**
Ex-dividend sales of stock, **3:103**
Gross estate determinations, stock and bond dividends, **2:23**
Mutual fund shares, **3:137**

**DIVORCE**
Gross estate determinations, life insurance proceeds payable to divorced spouse, **2:55, 2:56**
Life insurance proceeds payable to divorced spouse, gross estate determinations, **2:55, 2:56**
Reformation of charitable split interests, division of CRUT incident to divorce, **6:292**
Valuation, support rights not followed by divorce or adjudicated separation, **6:73**

**DOMICILE ISSUES**
Nonresidents not citizens estate tax, **8:13 et seq.**

**DONATIVE INTENT**
Gift tax, **14:9 to 14:12**

**DONORS AND DONEES**
**Gift Tax** (this index)

**DOWER AND CURTESY**
Gross estate determinations, **2:19**

**DUE PROCESS**
Collection of tax, **12:81**
Withdrawal of request for collection due process hearing, **12:83**

**EASEMENTS**
**Conservation Easements** (this index)
**Fair Market Value** (this index)

**EDUCATIONAL ORGANIZATIONS**
Deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Payments to, gift tax returns, transfers not subject to gift tax, **18:7**

**ELECTIONS**
**Alternate Valuation** (this index)
Estate freeze transfers
election to have interest treated as a qualified payment
generally, **17:37**
contents of election statements, **17:38**
election to waive qualified payment treatment, **17:36**
Estate tax vs income tax deductions, **6:48**
Extensions of time for
alternate valuation, **4:8**
portability election, **7:13**
special use valuation, **5:89**
Family-owned business deductions, **6:309**
Generation-skipping transfer tax, electing out of automatic GST allocations, **19:35, 19:45**
**Generation-Skipping Transfer Tax** (this index)
GST tax relationship to QTIP elections, **19:17**
Holding company election, installment payments of estate tax, **10:69**
Income tax vs estate tax deductions, **6:48**
Installment payments of estate tax
late election to pay estate tax in installments, **10:67**
manner of election, **10:64**
protective elections, **10:68**
Section 6166 elections to extend payment of estate tax, **10:65, 10:66**
Protective elections, installment payments of estate tax on farm or closely-held business, **10:68**
QTIP elections, GST tax relationship, **19:17**
**Qualified Domestic Trusts** (this index)
Qualified terminable interest property
partial QTIP elections, **6:206, 16:170**
time to make election, **16:171**
Reverse QTIP elections. See **Generation-Skipping Transfer Tax** (this index)
**Special Use Valuation** (this index)
**Valuation** (this index)

**ELECTIVE SHARE**
Marital deduction, no marital deduction for elective share property in which spouse has no beneficial interest, **6:121**

**EMPLOYEES**
Annuities, gift tax, **14:100, 14:101**
Benefit plans
gift tax, employee benefit plan coverage as taxable transfer, **14:158**
gross estate determinations
generally, **2:205**

**EMPLOYEES—Cont'd**
Benefit plans—Cont'd
gross estate determinations—Cont'd
post-death benefits, **2:112 et seq.**
separate employee plans, annuities and death benefits under, **2:291**
self-employed participants, special use valuation election requirements, **5:41**
Deferred compensation claims under employment contract, fair market value, **3:303**
Fair market value
deferred compensation claims under employment contract, **3:303**
restricted shares and business interests, **3:193**
Pensions. See **Gross Estate Determinations** (this index)
Restricted shares and business interests, fair market value, **3:193**
Self-employed plan participants, special use valuation election requirements, **5:41**
Special use valuation election requirements, self-employed participants, **5:41**

**ENTIRETY, TENANCIES BY**
Gift tax, taxable transfers, **14:96**

**ENVIRONMENTAL PROTECTION**
Conservation contributions, special use valuation, recapture of estate tax, **5:100**
Facade easement with mortgage subordination requirement, gift tax deductions, **16:103**
Gift tax deductions, facade easement with mortgage subordination requirement, **16:103**
Natural resources interests, valuations of donations, **3:97**
Qualified conservation contributions, taxable estate charitable deductions, **6:280**
Real property valuation, **3:38**
Special use valuation
recapture of estate tax, conservation contributions, **5:100**
woodlands elections
generally, **5:90**
requirements, **5:23**

**EQUIPMENT**
Fair market value, **3:279**

**EQUITABLE INTERESTS**
Nonresidents not citizens, gross estate determinations, **8:47**

**EQUITABLE RECOUPMENT**
Estate tax computation
generally, **7:4**

**EQUITABLE RECOUPMENT—Cont'd**
Estate tax computation—Cont'd
QTIP, improper inclusion, **7:5**

**EQUITABLE VS LEGAL TITLE**
Gross estate determinations of interests held at death, **2:7**

**ERRORS**
Assessment
generally, **12:4**
abatement of assessment, **12:78**
**Scrivener's Errors** (this index)

**ESCHEAT PROPERTY**
Gross estate determinations, **2:105**

**ESTATE FREEZE TRANSFERS**
Generally, **17:14 et seq.**
Adjustments to transfer tax
generally, **17:61**
double taxation, adjustments to mitigate, **17:62**
partial interest adjustments, **17:63**
split interests adjustments, **17:64**
Agreements subject to Chapter 14 rules, exceptions for, **17:68**
Amount of increase
generally, **17:55**
limitation, **17:56**
Annuities conversions, qualified personal residence trusts, **17:116, 17:117**
Applicable restrictions on liquidation, **17:65**
Applicable retained interest, treatment as two or more separate interests, **17:19**
Attribution rules
generally, **17:75**
order of attribution where an interest is attributed to more than one individual, **17:76**
Buy-sell agreements, **17:134**
Call rights, **17:21**
Capital structure changes, **17:60**
Chapter 14 rules
agreements subject to, exceptions for, **17:68**
options subject to, exception for, **17:68**
rights subject to, exception for, **17:68**
scope
generally, **17:15, 17:16**
trust transfers, **17:78**
special valuation rules, **17:14 et seq.**
Commercially reasonable restrictions exception, **17:66**
Compounding rules, **17:49**
Computation, disclosure rules, **17:183**

**ESTATE FREEZE TRANSFERS—Cont'd**
Computation of estate tax, special valuation rules, **7:2**
Contributions to capital, **17:60**
Control, **17:31**
Conversion rights
generally, **17:21**
exception, **17:23**
Corporate non-lapsing conversion right, **17:28**
Cumulative but unpaid distributions, **17:49**
Definitions
liquidation rights, **17:71**
member of family, **17:17**
personal residence, **17:101**
voting rights, **17:70**
Determining amount of gift, **17:43**
Determining whether an interest is retained, **17:80**
Disclosure rules, **17:183**
Discounts, effect on, **17:34**
Distribution rights, **17:20, 17:24**
Distributions, cumulative but unpaid, **17:49**
Double taxation, adjustments to mitigate, **17:62**
Effect on discounts, **17:34**
Elections
statements, **17:38**
to have interest treated as a qualified payment
generally, **17:37**
contents of election statements, **17:38**
to treat payment of a qualified payment more than four years after due date as a taxable event, **17:52, 17:53**
to waive qualified payment treatment, **17:36**
Exceptions
generally, **17:39 et seq.**
agreements subject to Chapter 14 rules, **17:68**
commercially reasonable restrictions, **17:66**
family members unable to liquidate an interest the holder could have liquidated, **17:72**
fixed rights, **17:22**
lapses that occur by reason of changes in state law, **17:74**
marketable retained interests, **17:39**
options subject to Chapter 14 rules, **17:68**
or certain rights to convert, **17:23**
personal residence transfers, **17:99**
proportionate transfers, **17:42**
restrictions commercially reasonable, **17:66**
restrictions imposed by law, **17:67**
retained interests of the same class as the transferred interest, **17:40**

**ESTATE FREEZE TRANSFERS—Cont'd**
Exceptions—Cont'd
retained interests proportionally the same as the transferred interest, **17:41**
rights previously valued under the zero-value rule, **17:73**
rights subject to Chapter 14 rules, **17:68**
vertical slice exception, **17:42**
zero-value rule, rights previously valued under, **17:73**
Exceptions, tangible property, trust transfers, **17:127 et seq.**
Extraordinary payment rights, **17:21, 17:24**
Family members
definition, **17:17**
exception where family members cannot liquidate an interest the holder could have liquidated, **17:72**
transfers to, **17:58**
treatment of applicable family members, **17:57**
Fixed rights, exceptions for, **17:22**
Governing instrument, trust transfers, **17:133**
GRATs
amending GRAT to include missing required provision, **17:89**
funding with partnership interests, **17:92**
funding with Subchapter S stock, **17:86**
1992 legislation, **17:85**
qualified annuity interest requirements for GRATs, **17:84, 17:96**
substitution power exercisable in a fiduciary capacity, **17:96**
third party loan, recognition of gain to grantor, **17:90**
valuation of qualified interests, **17:82**
GRUTs
qualified unitrust interest requirements, **17:93, 17:94**
valuation of qualified interests, **17:82**
Guaranteed payment rights, **17:27**
Improper termination of qualified personal residence trusts, exceptions, **17:119 et seq.**
Incomplete transfers, **17:98**
Increase amount
generally, **17:55**
limitation, **17:56**
Individuals treated as interest holders, **17:54**
Interaction of zero-value rule and rule on lapses of voting or liquidation rights, **17:35**
Interest terminations, **17:59**
Junior equity, minimum valuation of, **17:48**

**ESTATE FREEZE TRANSFERS—Cont'd**
Lapses that occur by reason of changes in state law, exception for, **17:74**
Lapsing rights and liquidation restrictions, **17:35, 17:74**
Limitation on amount of increase, **17:56**
Liquidation rights
applicable restrictions on, **17:65**
definition, **17:71**
exception where family members cannot liquidate an interest the holder could have liquidated, **17:72**
lapse of rights, **17:35, 17:69, 17:74**
participation, **17:26**
Lower-of rule, **17:32**
Mandatory payment right, **17:25**
Member of family, term defined, **17:17**
Member of the family, trust transfers, **17:131, 17:132**
Minimum valuation of junior equity, **17:48**
Minority or similar discounts, **17:45**
1992 legislation, GRATs, **17:85**
Non-lapsing rights
corporate, **17:28**
partnership, **17:29**
Options on transfer tax value of property, **17:134**
Options subject to Chapter 14 rules, exception for, **17:68**
Order of attribution where an interest is attributed to more than one individual, **17:76**
Partial interest adjustments, **17:63**
Participation right, liquidation, **17:26**
Partnerships
non-lapsing right, **17:29**
planning a freeze partnership, **17:30**
Payment rights, guaranteed, **17:27**
Personal residences
definition, **17:101**
interests of spouses in the same residence, **17:102**
**Qualified Personal Residence Trusts** (this index)
transfer exceptions, **17:99**
trusts
generally, **17:104**
limitation on term interests in personal residence trusts and qualified personal residence trusts, **17:118**
**Qualified Personal Residence Trusts** (this index)
Planning a freeze partnership, **17:30**

**ESTATE FREEZE TRANSFERS—Cont'd**
Promissory notes may not be used to pay annuity, trust transfers, **17:88**
Proportionate transfers exception, **17:42**
Put rights, **17:21**
Qualified payment treatment
elections
generally, **17:37**
contents of election statements, **17:38**
waivers of election, **17:36**
valuation, **17:32**
**Qualified Personal Residence Trusts** (this index)
Qualified remainder interest requirements, trust transfers, **17:95**
Recapitalizations, **17:60**
Redemptions, **17:60**
Remainder interest sales, qualified personal residence trusts, **17:126**
Restrictions commercially reasonable exception, **17:66**
Restrictions imposed by law exception, **17:67**
Restrictions on liquidation, **17:65**
Retained interests of the same class as the transferred interest exception, **17:40**
Retained interests proportionally the same as the transferred interest exception, **17:41**
Retained interest transfers, valuation, **17:46**
Retained powers, zero-value rule applicability to, **17:81**
Retained rights valuation, **17:18**
Rights
generally, **17:20 et seq.**
Chapter 14 rules, rights subject to exception for, **17:68**
exceptions for certain rights to convert, **17:23**
exceptions for fixed rights, **17:22**
extraordinary payment rights or distribution rights, **17:24**
previously valued rights under the zero-value rule, exception for, **17:73**
Scope of Chapter 14 rules
generally, **17:15, 17:16**
trust transfers, **17:78**
Separate interests, treatment of applicable retained interest as, **17:19**
Split interests adjustments, **17:64**
Spousal transfers, **17:51**
Spouse's revocable interest as qualified interest, trust transfers, **17:91**
State law, exception for lapses that occur by reason of changes in state law, **17:74**
Step 2 adjustments, valuation, **17:44**

**ESTATE FREEZE TRANSFERS—Cont'd**
Step 4 reduction, valuation
consideration, received by transferor, **17:47**
minority or similar discounts, **17:45**
Subtraction method, valuation, **17:43**
Tangible property exception, trust transfers, **17:127 et seq.**
Taxable events
generally, **17:50**
election to treat payment of a qualified payment more than four years after due date as a taxable event, **17:52, 17:53**
Tax reimbursement provisions, trust transfers, **17:87**
Terminations of an interest, **17:59**
Term interests and joint purchases, **17:125**
Transfers to family members, **17:58**
Transfers with a retained interest, valuation, **17:46**
Transfer tax value of property, options on, **17:134**
Treatment of applicable family members, **17:57**
Treatment of applicable retained interest as two or more separate interests, **17:19**
Trust transfers
generally, **17:77**
determining whether an interest is retained, **17:80**
effect of retention of a power to revoke qualified interest of transferor's spouse, **17:83**
exception for transfers of a personal residence, **17:99**
funding GRAT with partnership interests, **17:86, 17:92**
governing instrument, **17:133**
incomplete transfers, **17:98**
judicial reformation for trusts that do not qualify, **17:100**
member of the family, **17:131, 17:132**
personal residence transfer exceptions, **17:99**
personal residence trusts, **17:104**
portion of trust, transfers of interests in, **17:130**
power to revoke a qualified interest of the transferor's spouse, effect of retention, **17:83**
promissory notes may not be used to pay annuity, **17:88**
qualified annuity interest requirements for GRATs, **17:84, 17:96**
qualified remainder interest requirements, **17:95**
qualified unitrust interest requirements for GRUTs, **17:93, 17:94**
reformation for trusts that do not qualify, **17:100**
retained powers, zero-value rule applicability to, **17:81**

**ESTATE FREEZE TRANSFERS—Cont'd**
Trust transfers—Cont'd
scope of Chapter 14 rules, **17:78**
spouse's revocable interest as qualified interest, **17:91**
tangible property exception, **17:127 et seq.**
tax reimbursement provisions, **17:87**
transfers of interests in portion of trust, **17:130**
valuation of qualified interests, **17:82**
valuation of retained interests other than qualified interests, **17:79**
zero value rule, **17:79**
zero-value rule applicability to retained powers, **17:81**
Two or more separate interests, treatment of applicable retained interest as, **17:19**
Valuation
generally, **17:33**
consideration, received by transferor, reduction for, **17:47**
determining amount of gift, **17:43**
junior equity, minimum valuation of, **17:48**
lower of rule, **17:32**
minimum valuation of junior equity, **17:48**
minority or similar discounts, **17:45**
options on transfer tax value of property, **17:134**
QPRT contingent remainder, **17:110**
qualified payments, **17:32**
qualified personal residence trusts, **17:103**
retained interests other than qualified interests, **17:79**
retained interest transfers, **17:46**
retained rights, **17:18**
step 2 adjustments, **17:44**
step 4 adjustment, **17:46**
step 4 reduction
consideration, received by transferor, **17:47**
minority or similar discounts, **17:45**
subtraction method, **17:43**
transfers with a retained interest, **17:46**
transfer tax value of property, options on, **17:134**
Vertical slice' exception, **17:42**
Voting, lapses, zero-value rule interaction with, **17:35**
Voting rights
definition, **17:70**
lapse of rights, **17:69**
Waiver elections, qualified payment treatment, **17:36**
Zero value rule
exception for rights previously valued under, **17:73**

**ESTATE FREEZE TRANSFERS—Cont'd**
Zero value rule—Cont'd
interaction with rule on lapses of voting or liquidation rights, **17:35**
trust transfers
generally, **17:79**
applicability to retained powers, **17:81**

**ESTATES**
Administering property subject to claims against the estate, time limitation on deductibility
generally, **6:10**
nonclaims property, **6:11**
Administration expense deductions. **Taxable Estate** (this index)
Administrative powers, terminable interest rule for marital deductions, **6:174, 6:175**
Alternate valuation, effect on estate tax deductions, **4:5**
Claims of estates, fair market value, **3:302**
Deductions, effect of alternate valuation of, **4:5**
Deductions of administration expenses. **Taxable Estate** (this index)
Estimated executor commissions, taxable estate deductions, **6:7**
Fair market value, estate claims, **3:302**
**Gifts Included in Estate** (this index)
Gift tax returns, filing requirements, **18:13**
Gross estate determinations, estate, insurance receivable by or for benefit of, **2:34 et seq.**
Insurance receivable by or for benefit of estate, gross estate determinations, **2:34 et seq.**
Multi-hatted administrators, tax trap, **6:49**
Protracted administrations, expense deductions, **6:16**
Special use valuation election requirements, estate held property, **5:45**
Terminable interest rule for marital deductions, administrative powers, **6:174, 6:175**
Time limitation on deductibility, administering property subject to claims against the estate
generally, **6:10**
nonclaims property, **6:11**

**ESTATE TAX**
2001, 2010, 2012, 2017 and 2025 Acts, legislation summary of permanent changes, **1:9**
Generally, **1:1 et seq.**
Actuarial tables. See **Fair Market Value** (this index)
Alternate valuation, effect on estate tax deductions, **4:5**

**ESTATE TAX—Cont'd**
**American Taxpayer Relief Act of 2012** (this index)
Annuity tax rule, **2:283**
**Assessment** (this index)
Canadian retirement plan's indirect holdings of shares in US corporations not subject to US estate tax, **2:299**
Citizenship. See **Nonresidents Not Citizens** (this index)
**Collection of Tax** (this index)
Comparing lifetime and deathtime transfers, **13:5**
**Computation of Tax** (this index)
Correlation of gift tax and estate tax, **13:4**
**Credits, Tax** (this index)
Date of death, **1:3**
Decanting: transfers from one irrevocable trust to another irrevocable trust, **1:12**
Deductions, effect of alternate valuation of, **4:5**
Disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
**Estate Freeze Transfers** (this index)
Expatriation tax, unified credit under, **8:63**
**Fair Market Value** (this index)
**Filing of Tax Returns** (this index)
**Foreign Death Taxes Credit** (this index)
Freeze transfers. See **Estate Freeze Transfers** (this index)
**Generation-Skipping Transfer Tax** (this index)
Gifts of life interests by terminally ill transferors, fair market value, **3:227**
Gift to wife of gift tax paid within three years of husband's death included in husband's estate, **14:35**
**Gross Estate Determinations** (this index)
GST tax, estate tax inclusion period, **19:107**
How the estate tax works, **1:1**
Income tax payments, offset of estate tax by beneficiary's overpaid income tax, **10:13**
Income tax vs estate tax, nonresidents not citizens estate tax, **8:17**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
Interim guidance to tax auditors on pre-appeals conference procedures, **App. G**
IRS Estate & Gift Tax Handbook (Current Version of Examination Technique Handbook), **App. H**
**Liens, Federal Tax** (this index)
Life interest gifts of terminally ill transferors, fair market value, **3:227**

**ESTATE TAX—Cont'd**
Minor beneficiaries, disclaimer tax trap, estate and/or GST tax savings as in minor's best interest, **14:71**
Nature of estate tax, **1:2**
Net taxable estate. See **Taxable Estate** (this index)
1997 legislation, computation, **17:182**
**Nonresidents Not Citizens** (this index)
Operation of estate tax, **1:1**
**Payment of Tax** (this index)
Portability of credits, **7:12**
Property subject to tax. See **Gross Estate Determinations** (this index)
**Qualified Domestic Trusts** (this index)
**Rates, Tax** (this index)
Recapture of estate tax after special use valuation. **Special Use Valuation** (this index)
Recovery of tax from recipient of transferred property, **2:197**
**Refund Claims** (this index)
Rev. Proc. 2011-48, **6:4**
Sales commissions, valuation, **3:11**
**Schedules** (this index)
**Settlements of Tax Disputes** (this index)
State law considerations, **1:5**
Subsequent land sales, valuation, **3:22**
**Taxable Estate** (this index)
**Taxpayers' Remedies** (this index)
Theory of estate tax, **1:1**
2010 legislation
allocation of basis for 2010, **1:10**
Unified credit, **7:9 et seq.**
US citizens residing in US possessions
generally, **8:20**
credits, **8:61**
**Valuation** (this index)
**Victims of Terrorism Tax Relief Act of 2001** (this index)
What is taxed. See **Gross Estate Determinations** (this index)

**EVASION OF TAX**
**Criminal Penalties** (this index)

**EVIDENCE AND PROOF**
Assessment evidence, **12:8 et seq.**
**Burden of Proof** (this index)
Charitable deductions, taxable estate, **6:234**
District court refund claims, **20:22**
Estate tax valuation, reported valuation, proof required to change, **3:3**
Foreign death taxes credit, proof of right, **7:48**

**EVIDENCE AND PROOF—Cont'd**
Fractional interests discounts, real property valuation, **3:57**
Gift tax exclusions, value of gift, **16:7**
Marital deductions, taxable estate, **6:102**
Real property valuation discounts, fractional interests, **3:57**
Refund claims, district court, **20:22**
Taxable estate
charitable deductions, **6:234**
marital deductions, **6:102**

**EXCISE TAX**
Gift valuation, effect on, **17:5**

**EXCLUSIONS**
Annual exclusion. See **Gift Tax** (this index)
Annuity exclusion rule for decedents in pay status before 1985, **2:298**
**Conservation Easements** (this index)
Coordination of qualified family-owned business deduction and applicable exclusion amount, estate tax, **6:306**
Estate tax
annuity exclusion rule for decedents in pay status before 1985, **2:298**
applicable exclusion and applicable credit amounts
generally, **7:9**
2001 and later deaths, **7:10**
**Conservation Easements** (this index)
coordination of qualified family-owned business deduction and applicable exclusion amount, **6:306**
2001 and later deaths, applicable exclusion and applicable credit amounts, **7:10**
Gifts by nonresidents not citizens
generally, **15:10**
transfers to citizen spouse, **15:12**
Gift tax
annual exclusion amounts, **17:179**
cross gifts, **16:4**
reciprocal gifts, **16:4**
returns, annual exclusion for transfers not subject to gift tax, **18:10**
trusts, Crummey powers, **16:31**
Qualified domestic trusts, statement with respect to residence exclusion, **6:223**
Trusts, Crummey powers, **16:31**
Uniform gifts and uniform transfers to minors acts, **16:65, 16:72**

**EXECUTORS AND ADMINISTRATORS**
Administration expense deductions. See **Taxable Estate** (this index)
Bequest in lieu of commissions, **6:19**
Court-ordered commissions, **6:21**
Declaration of representative, settlements of estate tax disputes, **11:8**
Discharges
collection of gift tax, **18:39**
continuance of tax lien after, **12:48**
early discharge from personal liability, estate tax, **10:20**
Estimated commissions, **6:7**
Excess commissions, **6:18**
Form, executor's commissions deductions, **6:17**
Gift tax, disclaimer treated as taxable transfer, **14:74**
Installment payments of estate tax
discharge of executor from personal liability, **10:57**
required agreement for special lien to discharge, **10:58**
Multi-hatted administrators, tax trap, **6:49**
Non-probate property, deductibility executor commissions on, **6:20**
Non-probate property, executor commissions on, **6:20**
Returns, filing requirements
estate tax, **9:4**
gift tax, **18:14**
Settlements of estate tax disputes, declaration of representative, **11:8**
Tax trap, multi-hatted administrators, **6:49**

**EXEMPTIONS**
**Generation-Skipping Transfer Tax** (this index)
**Qualified Domestic Trusts** (this index)
Tax exempt securities, gross estate determinations, **2:22**

**EXPATRIATES**
Definition, **15:4**
Estate tax rules effective for those who expatriate after June 3, 2004, and before June 17, 2008, **8:6**
Estate tax rules effective for those who expatriate after June 17, 2008, **8:7**
Expatriation tax, unified credit under, **8:63**
Expatriation to avoid tax under prior law, nonresidents not citizens estate tax, **8:5**
Form 8854, expatriation statement, **8:9**
**Gift Tax** (this index)

**EXPATRIATES—Cont'd**
Gross estate determinations, US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
Unified credit under expatriation tax, **8:63**
US assets owned through foreign corporation by former US citizen, gross estate determinations, **8:31 et seq.**

**EXPECTANCIES**
Gross estate determinations of interests held at death, **2:5**

**EXPERT APPRAISALS**
Conservation easements for gift tax deduction, **16:104**
**Fair Market Value** (this index)

**EXPERTS**
Appraisals. **Expert Appraisals** (this index)
Delinquencies in estate tax payments, reliance on may be reasonable cause for failure to pay, **10:82**
Market valuation discounts, expert witnesses, **21:2**

**FAIR MARKET VALUE**
Access factors, real property valuation, **3:40**
Actual condition of property, estate tax valuation, **3:6**
Actual sale or bona fide offers, natural resources interests, **3:95**
Actual vs replacement cost method, real property valuation, **3:82 et seq.**
Actuarial tables
generally, **3:212**
annuities, mathematical computation of actuarial factor, **3:245**
charitable contribution elections, **3:223, 3:232 et seq.**
date of valuation, **3:221 et seq.**
decennial census and update of tables, **3:225**
Interest components of valuations, below
interest tables, **3:219**
mathematical computation of actuarial factor for annuity, **3:245**
mentally incompetent decedents, **3:229**
mortality components of valuations, **3:214**
1999-2008 tables, **3:217**
private annuities tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
Section 7520 rules and exceptions, **3:228**
special factors, IRS rulings, **3:230, 3:231**
summary chart, **3:219**

**FAIR MARKET VALUE—Cont'd**
Actuarial tables—Cont'd
tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
2009 tables, **3:218**
update of tables, decennial census and, **3:225**
use of valuation tables, **3:241 et seq.**
valuation tables, **3:219**
Adequate and full consideration, restricted shares and business interests, **3:168**
Aggregation, close corporation shares
generally, **3:132**
shares held in marital trust aggregated with shares owned outright, **3:135**
Agreements containing rights or restrictions, restricted shares and business interests, **3:162**
Agreements restricting sales, 1990 legislation, **3:164**
Aircraft, **3:275**
**Alternate Valuation** (this index)
Amount receivable after death under pre-death right, alternate valuation, **4:24**
Analytical appraisal, natural resources interests, **3:96**
Annual indexed amounts, **App. F**
Annuities
adjustment factors for payments at end of specified period, **3:246**
alternate valuation
generally, **4:22**
death of surviving annuitant within alternate valuation period, **4:23**
coinsureds, valuation tables used for, **3:251**
commercial, **3:210**
death of surviving annuitant within alternate valuation period, **4:23**
final payment adjustment factors, **3:246**
income payable for such time as one person survives another, **3:255**
life annuity, present value
generally, **3:243**
monthly payments, **3:247**
semiannual payments, **3:248**
lottery annuity payments
generally, **3:220**
IRS lottery rules, **3:242**
mathematical computation of actuarial factor for annuity, **3:245**
monthly payments, life annuity, **3:247**
multiple lives, **3:250**
noncommercial, **3:212 et seq.**
present value computations, **3:241 et seq.**

**FAIR MARKET VALUE—Cont'd**
Annuities—Cont'd
reinsureds, valuation tables used for, **3:251**
semiannual payments, life annuity, **3:248**
settlement agreements secured by commercial annuities, **3:310**
term of years
generally, **3:249**
present value, **3:244**
valuation tables used for reinsured or coinsured, **3:251**
Appropriate market issues, estate tax valuation, **3:7**
Artificial markets, estate tax valuation, **3:8**
Art works
generally, **3:269**
$20,000, valuations exceeding, **3:273**
discounts for artwork owned in co-tenancy, **22:10**
expert appraisals, **3:271**
IRS art advisory panel, **3:272 et seq.**
Assignments of notes, **3:202**
Auction process, retail value established through for jewelry and gems, **3:291**
Auction sales, estate tax valuation, **3:26, 3:27**
Autographs, Books, manuscripts, autographs, and signatures, below
Automobiles, **3:275**
Bargain sales, estate tax valuation, **3:12**
Basis for valuation, IRS obligation to disclose, estate tax valuation, **3:33**
Basis step up, restricted shares and business interests, **3:188**
Beneficiary basis differing from estate tax, close corporation shares, **3:129**
Bid and asked prices, securities, **3:99**
Blocks of securities
generally, **3:104 et seq.**
aggregation, no aggregation rule, **3:108**
disclaimer to convert controlling interest into a minority interest, **3:107**
less-than majority blocks, **3:106**
liquidation, **3:109**
rebuttable presumption, **3:105**
Restricted shares and business interests, below
underwriting fees, **3:110**
Boats and ships
generally, **3:276 et seq.**
commercial and trade publications use, **3:276**
depreciation, **3:277**
Maritime Administration valuations, **3:278**

**FAIR MARKET VALUE—Cont'd**
Bona fide business arrangements exception, restricted shares and business interests, **3:156, 3:170**
Books, manuscripts, autographs, and signatures
complete works of well-known people, **3:282**
expert appraisals, **3:280**
factors taken into consideration for valuation, **3:281**
modest collections, **3:284**
signature valuations, **3:283**
well-known people, complete works of, **3:282**
Book value, real property valuation, **3:49**
Building lots, **3:60**
Business interests
generally, **3:141 et seq.**
Goodwill, below
partnerships, **3:142**
Restricted shares and business interests, below
Business properties, special use valuation, **5:5**
Buyer's premium, estate tax valuation, **3:11**
Buy-sell agreements funded by life insurance, restricted shares and business interests, **3:185 et seq.**
Capital gains tax discount, close corporation shares, **3:127, 3:128**
Capitalization of income method, close corporation shares, **3:126**
Cash versus installment sale, estate tax valuation, **3:9**
Catalog use, coin collections, **3:293**
Certificates of deposit, **3:196**
Changes in neighborhood, real property valuation, **3:39**
Charitable contribution elections, **3:223, 3:232 et seq.**
Charitable donation valuations, natural resources interests, **3:97**
Charitable interests, alternate valuation date elections for, **3:223, 3:232 et seq.**
Circumstances at time of valuation, natural resources interests, **3:93**
Claims
generally, **3:299 et seq.**
contingent legal fee, **3:301**
decedents' estates, claims of, **3:302**
deferred compensation employment contract, **3:303**
employment contract deferred compensation, **3:303**
future contingent legal fee, **3:301**
litigation, **3:304**

**FAIR MARKET VALUE—Cont'd**
Claims—Cont'd
tax refunds arising from, **3:299, 3:300**
Classified advertisements, sales through, estate tax valuation, **3:26, 3:27**
Close corporation shares
generally, **3:118 et seq.**
aggregation
generally, **3:132**
shares held in marital trust aggregated with shares owned outright, **3:135**
alternate valuation date, **3:125**
beneficiary basis differing from estate tax fair market value, **3:129**
capital gains tax discount, **3:127, 3:128**
capitalization of income method, **3:126**
deferrable condemnation award, **3:128**
earnings based valuation, **3:122**
estate tax fair market value, beneficiary basis differing from, **3:129**
excessive earnings value, **3:130**
expert appraisal, **3:134**
factors to be considered in determining value, **3:119, 3:123**
income capitalization method, **3:126**
Kohler Case, **3:125**
marital trust shares aggregated with shares owned outright, **3:135**
minority interests, **3:131**
post-death corporate reorganization reducing stock value, **3:125**
post-valuation date sales, **3:121**
Restricted shares and business interests, below
sale price approach to valuation, **3:120**
unitary interest, voting and nonvoting stock valued as, **3:133**
various valuations, **3:124**
voting and nonvoting stock valued as unitary interest, **3:133**
Closely held businesses, elections, actual use, **3:68**
Closely held stock, post-death sale used to value, **3:20**
Coin collections
generally, **3:293 et seq.**
catalog and reference material use, **3:293**
expert appraisals, **3:297**
monetary face value and market value distinguished, **3:295**
premiums, consideration of, **3:296**
silver coins, **3:294**
Coinsureds, valuation tables used for, **3:251**
Collectibility issues, notes, **3:198, 3:200**

**FAIR MARKET VALUE—Cont'd**
Combining discounts with special use valuation, **5:28**
Combining properties to achieve highest and best use, **3:46**
Commercial annuities
generally, **3:210**
settlement agreements secured by, **3:310**
Commercial publications use, boat and ship valuations, **3:276**
Community property
generally, **3:306**
life insurance, **3:209**
Comparables
real property valuation, **3:77, 3:80**
replacement cost valuation compared, **3:24**
restricted shares and business interests, **3:157**
special use valuation, formula method of determining special use value, **5:61**
Comparable sales after valuation date, real property valuation, **3:79**
Condemnation awards, real property valuation, **3:50**
Condition of property, estate tax valuation, **3:6**
Conservation easements, **3:75**
Consideration, restricted shares and business interests, **3:179**
Contingent cancellation provisions, mortgages, **3:204**
Contingent legal fees, **3:301**
Contingent or contested claims and post-death events, estate tax valuation, **3:17**
Controlling interests. Blocks of securities, above
Corporate-owned real estate, special use valuation elections, **5:74**
Corporation property, special use valuation election requirements, **5:27, 5:42**
Cost as basis for valuation, natural resources interests, **3:94**
Co-tenancies, **3:307, 22:10**
Crops, splitting from farmland, **3:67**
Date of valuation
actuarial tables, **3:221 et seq.**
alternate valuation date elections for charitable interest, **3:223, 3:232 et seq.**
changes in value between purchase date and valuation date, **3:83**
charitable interests, alternate valuation date elections for, **3:223, 3:232 et seq.**
comparable sales after valuation date, real property valuation, **3:79**
death cash value, estate tax valuation, **3:10**

**FAIR MARKET VALUE—Cont'd**
Date of valuation—Cont'd
effect of later events, estate tax valuation, **3:16, 3:20, 3:21**
elections of alternate valuation dates for charitable interest, **3:223, 3:232 et seq.**
post-valuation date events estate tax valuation, **3:19**
sale price shortly after valuation date, value based on, **3:14**
Decedents' estates, claims of, **3:302**
Decrease in value limitation, special use valuation, **5:7**
Defects, real property valuation, **3:37**
Defenses to collection of notes, **3:200**
Deferrable condemnation award, close corporation shares, **3:128**
Deferred compensation claims under employment contracts, **3:303**
Depreciable or depletable property, remainder interests, **3:265**
Depreciation factor
boats and ships, **3:277**
real property valuation, **3:84**
Discounted cash flow analyses, unimproved real property valuation, **3:66**
Discounted valuation, remainder interest includible with, **3:259**
Discounted valuation, reversionary interest includible with, **3:260**
Discounts
**Market Valuation Discounts** (this index)
proof of discount, fractional interests, real property valuation, **3:57**
Dividends
alternate valuation, **4:17**
mutual fund shares, **3:137**
Donor's estate, inter vivos transfers includible in, **3:264**
Dribble-out valuation method, restricted shares, **3:115**
Earnings based valuation, close corporation shares, **3:122**
Easements
generally, **3:74, 3:163**
conservation easements, **3:75**
Effect of later events, estate tax valuation, **3:16, 3:20, 3:21**
Elections
actual use, **3:68**
**Alternate Valuation** (this index)

**FAIR MARKET VALUE—Cont'd**
Elections—Cont'd
alternate valuation dates for charitable interest, **3:223, 3:232 et seq.**
**Special Use Valuation** (this index)
Employees' restricted shares and business interests, **3:193**
Employment contract deferred compensation claims, **3:303**
Encumbrances, real property subject to, **3:71**
Environmental factors, real property valuation, **3:38**
Equipment, **3:279**
Estate, inter vivos transfers includible in, **3:264**
Estate tax
generally, **3:4 et seq.**
actual condition of property, **3:6**
Actuarial tables, above
appropriate market issues, **3:7**
artificial markets, **3:8**
auction sales, **3:26, 3:27**
bargain sales, **3:12**
basis for valuation, IRS obligation to disclose, **3:33**
basis of beneficiary differing from FMV, close corporation shares, **3:129**
beneficiary basis differing from FMV, close corporation shares, **3:129**
buyer's premium, **3:11**
cash versus installment sale, **3:9**
classified advertisements, sales through, **3:26, 3:27**
closely held stock, post-death sale used to value, **3:20**
comparable sales vs replacement cost, **3:24**
condition of property, **3:6**
contingent or contested claims and post-death events, **3:17**
date of death cash value, **3:10**
effect of later events, **3:20, 3:21**
effect of later events on valuation, **3:16**
exchanges of property, **3:25**
forced sales, **3:13**
gift revaluations, **3:18**
Improved real property, below
indeterminable value property
generally, **3:30**
IRS policy when value cannot be determined, **3:32**
liquidation transfers, **3:31**
installment sale versus cash, **3:9**
IRS policy when value cannot be determined, **3:32**

**FAIR MARKET VALUE—Cont'd**
Estate tax—Cont'd
liquidation transfers, indeterminable value property, **3:31**
methods of establishing, **3:24 et seq.**
no ascertainable value property, **3:28**
objective standard, **3:5**
post-death events, contingent or contested claims and, **3:17**
post-death sale used to value closely held stock, **3:20**
post-valuation date events, **3:19**
property exchanges, **3:25**
property with no ascertainable value, **3:28**
Real property, below
replacement cost vs comparable sales, **3:24**
restricted markets, **3:8**
revaluation of gifts, **3:18**
sale price shortly after valuation date, value based on, **3:14**
sales commission, **3:11**
Securities, below
stolen property, **3:15**
subsequent land sales, **3:22**
value based on sale price shortly after valuation date, **3:14**
valueless property, **3:29**
worthless property, **3:29**
Excessive earnings value, close corporation shares, **3:130**
Exchanges of property, estate tax valuation, **3:25**
Ex-dividend sales of stock, **3:103**
Expert appraisals
art works, **3:271**
books, manuscripts, autographs, and signatures, **3:280**
close corporation shares, **3:134**
coin collections, **3:297**
household and personal effects, **3:267**
jewelry and gems
generally, **3:286**
IRS experts, **3:288, 3:290**
ultimate market as key to appraisal, **3:287**
substantiation requirements, household and personal effects appraisals, **3:268**
ultimate market as key to appraisal, jewelry and gems, **3:287**
Factors considered
books, manuscripts, autographs, and signatures, **3:281**
close corporation shares, **3:119, 3:123**

**FAIR MARKET VALUE—Cont'd**
Factors considered—Cont'd
one life and a term of years, use of valuation tables, **3:256**
real property valuation, **3:35**
unimproved real property valuation, **3:59**
Failing health issues, restricted shares and business interests, **3:173**
Family limited partnerships
generally, **3:151 et seq.**
Amlie case, **3:158**
bona fide business arrangements exception, **3:156**
controlling interests held by non-family members, **3:159**
insurance proceeds exclusion, **3:155**
modifications, **3:154**
1990 legislation, **3:152**
recognition for estate tax purposes, **3:149**
restrictions defined, **3:153**
special valuation rules, **3:151**
Farms
generally, **3:61**
elections, actual use, **3:68**
grazing permits, **3:62**
special use valuation, **5:5**
splitting crops and timber from farmland, **3:67**
Federal National Mortgage Association mortgages, **3:206**
First refusal rights, restricted shares and business interests, **3:181**
Flower bonds, **3:138 et seq.**
Forced sales, estate tax valuation, **3:13**
Formula price issues, restricted shares and business interests, **3:177**
Fractional interests, real property valuation
generally, **3:54**
factor analyses, **3:55 et seq.**
Gems. Jewelry and gems, below
General redemption provisions, restricted shares and business interests, **3:183**
Gift revaluations, estate tax valuation, **3:18**
Goodwill
generally, **3:144 et seq.**
IRS formula, **3:145, 3:146**
Grantor retained annuity trusts, retained interests, **3:257**
Grazing permits, farm land, **3:62**
Highest and best use
combining properties to achieve highest and best use, **3:46**
real property valuation, **3:41 et seq.**

**FAIR MARKET VALUE—Cont'd**
Highest and best use—Cont'd
special use valuation, **5:1**
Historically significant land and improvements, **3:70**
Household and personal effects
generally, **3:266 et seq.**
Art works, above
expert appraisals
generally, **3:267**
substantiation requirements, **3:268**
substantiation requirements, expert appraisals, **3:268**
Identity of property to be valued, **3:23**
Improved real property
generally, **3:69**
historically significant land and improvements, **3:70**
Income capitalization method
generally, **3:85 et seq.**
close corporation shares, **3:126**
estimates of income, **3:87**
leases, **3:89**
rental property, **3:86, 3:88**
unimproved real property valuation, **3:65**
Income on annuity payable for such time as one person survives another, **3:255**
Incomplete selling prices or bid and asked prices, **3:100**
Indebtedness deductions, special use valuation property, **5:8**
Indeterminable value property, estate tax valuation
generally, **3:30**
IRS policy when value cannot be determined, **3:32**
liquidation transfers, **3:31**
Individual retirement accounts, **3:308**
Ineffective restrictions on sales of restricted shares and business interests, **3:180**
Information required with tax return for deduction of present value of temporary or remainder interest, **3:240**
Installment obligation notes, **3:197**
Installment sales
cash sales compared, **3:9**
real property valuation, **3:58**
Insurance issues, restricted shares and business interests, **3:172**
Insurance proceeds exclusion, restricted shares and business interests, **3:155**
Interest bearing obligations, alternate valuation, **4:14**

**FAIR MARKET VALUE—Cont'd**
Interest components of valuations
generally, **3:214**
impact of higher interest rates, **3:216**
rate determinations, **3:215**
Interest in property requirement, special use valuation elections, **5:73**
Interest rate determinations, **3:215**
Intervivos transfers, restricted shares and business interests, **3:167**
Inter vivos transfers includible in donor's estate, **3:264**
Inter vivos trust, remainder interest includible in, **3:261**
Invasion rights after decedent's death in remainder and reversionary interests, **3:258**
IRS formulae, goodwill, **3:145, 3:146**
IRS guidelines, unimproved real property valuation, **3:78**
IRS policy when value cannot be determined, estate tax valuation, **3:32**
Jewelry and gems
auction process, retail value established through, **3:291**
expert appraisals
generally, **3:286 et seq.**
IRS experts, **3:288, 3:290**
ultimate market as key to appraisal, **3:287**
retail value established through auction process, **3:291**
ultimate market as key to appraisal, **3:287**
Jointly owned property, **3:305**
Known best use factors at time of death, real property valuation, **3:45**
Kohler Case, close corporation shares, **3:125**
Land use restrictions, real property valuation, **3:72**
Lapse of time factors, alternate valuation, **4:20 et seq.**
Large blocks, restricted shares and business interests, **3:184**
Last-to-die factors, use of valuation tables, **3:254**
Leases
generally, **3:91**
alternate valuation, **4:16**
income capitalization valuation of realty, **3:89**
real property valuation, lease interests affecting, **3:73**
Life estates
generally, **3:212 et seq.**
Actuarial tables, above
remainder interest includible in life estate trust
generally, **3:262**

**FAIR MARKET VALUE—Cont'd**
Life estates—Cont'd
remainder interest includible in life estate trust—Cont'd
invasion powers, **3:263**
Life insurance
generally, **3:207 et seq.**
community property, **3:209**
decedent's life, **3:207**
funded buy-sell agreements, **3:185 et seq.**
other person's life, **3:208**
simultaneous death of owner and insured, **3:211**
Life interest and ordinary term-of-years, use of valuation tables, **3:253**
Life interest gifts of terminally ill transferor, **3:227**
Likeness and media interests, Estate of Jackson vs. Commissioner, **3:285**
Limited partnerships, restricted shares and business interests, **3:171**
Liquidation transfers, indeterminable value property, **3:31**
Litigation, claims in, **3:304**
Location, real property valuation, **3:36**
Lottery annuity payments
generally, **3:220**
IRS lottery rules, **3:242**
Madoff Ponzi Scheme, identity of property to be valued, **3:23**
Manuscripts, Books, manuscripts, autographs, and signatures, above
Marital trust shares aggregated with shares owned outright, close corporation shares, **3:135**
Maritime Administration valuations of ships, **3:278**
Marketability discounts, ranch property, **3:64**
Market absorption discount, real property valuation, **3:53**
**Market Valuation Discounts** (this index)
Methods of establishing
estate tax valuation, **3:24 et seq.**
real property valuation, **3:77**
special use valuation, **5:24**
Minority interests, close corporation shares, **3:131**
Miscellaneous real property interests, **3:90 et seq.**
Mixed use real property valuation, **3:43**
Modifications, family limited partnerships, **3:154**
Mortality component of valuation, **3:224**
Mortality components of valuations, **3:214**
Mortgages
generally, **3:51, 3:76, 3:203 et seq.**
contingent cancellation provisions, **3:204**
Federal National Mortgage Association mortgages, **3:206**

**FAIR MARKET VALUE—Cont'd**
Mortgages—Cont'd
participation certificate, **3:205**
Multiple lives annuities, **3:250**
Mutual fund shares
generally, **3:136**
dividends, **3:137**
Natural resources interests
generally, **3:92**
actual sale or bona fide offers, **3:95**
analytical appraisal, **3:96**
charitable donation valuations, **3:97**
circumstances at time of valuation, **3:93**
cost as basis for valuation, **3:94**
Neighborhood changes, real property valuation, **3:39**
1990 legislation
agreements restricting sales, **3:164**
family limited partnerships, **3:152**
options, **3:164**
restricted shares and business interests, **3:148 et seq.**
No ascertainable value property, estate tax valuation, **3:28**
Noncommercial annuities
generally, **3:212 et seq.**
Actuarial tables, above
Noninterest bearing obligations, alternate valuation, **4:15**
Notes
generally, **3:194**
assignments, **3:202**
certificates of deposit, **3:196**
collectibility issues, **3:198, 3:200**
defenses to collection, **3:200**
discounts, evidentiary requirements, **3:195**
installment obligation notes, **3:197**
interest rate issues, **3:201**
partial assignments, **3:202**
presumptive FMV, **3:194**
secured notes, **3:199**
terms affecting FMV, **3:201**
valuation less than face amount, evidentiary requirements, **3:195**
No value securities, **3:117**
Objective standard, estate tax valuation, **3:5**
Obligations, interest bearing, alternate valuation, **4:14**
Obligations, noninterest bearing, alternate valuation, **4:15**

**FAIR MARKET VALUE—Cont'd**
Offers or options to buy or sell, real property valuation, **3:52**
Ordinary term-of-years and life interest, use of valuation tables, **3:253**
Partial assignments, notes, **3:202**
Partnership interests, **3:142**
Partnership property, special use valuation election requirements, **5:27, 5:42**
Partnerships, restricted shares and business interests, **3:175**
Part-time activities, special use valuation, election requirements, **5:38 et seq.**
Personal effects, Household and personal effects, above
Physical qualities and defects, real property valuation, **3:37**
Pledged shares of stocks and bonds, **3:116**
Post-death corporate reorganization reducing stock value, close corporation shares, **3:125**
Post-death events, contingent or contested claims, estate tax valuation, **3:17**
Post-death sale used to value closely held stock, estate tax valuation, **3:20**
Post-valuation date events estate tax valuation, **3:19**
Post-valuation date sales, close corporation shares, **3:121**
Pre-death right, amount receivable after death under, alternate valuation, **4:24**
Pre-estate tax law restrictions, restricted shares and business interests, **3:174**
Premiums, consideration of, coin collections, **3:296**
Presumptive fair market value, notes, **3:194**
Private annuities, tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
Private debt, **22:36**
Property exchanges, estate tax valuation, **3:25**
Property with no ascertainable value, estate tax valuation, **3:28**
Ranch property
generally, **3:63**
marketability discounts, **3:64**
Real property
generally, **3:34 et seq.**
access, **3:40**
actual vs replacement cost method, **3:82 et seq.**
book value, **3:49**
changes in neighborhood, **3:39**
changes in value between purchase date and valuation date, **3:83**
combining properties to achieve highest and best use, **3:46**

**FAIR MARKET VALUE—Cont'd**
Real property—Cont'd
comparables
generally, **3:77, 3:80**
sales after valuation date, **3:79**
condemnation awards, **3:50**
defects, **3:37**
depreciation factor, **3:84**
encumbrances, **3:71**
environment, **3:38**
estimates of income, **3:87**
factors, **3:35**
fractional interests
generally, **3:54**
factor analyses, **3:55 et seq.**
highest and best use, **3:41 et seq.**
historically significant land and improvements, **3:70**
Improved real property, above
Income capitalization method, above
installment sales, **3:58**
known best use factors at time of death, **3:45**
land use restrictions, **3:72**
leases
generally, **3:73, 3:91**
income capitalization valuation of realty, **3:89**
location, **3:36**
market absorption discount, **3:53**
methods of establishing, **3:77**
miscellaneous interests, **3:90 et seq.**
mixed use property, **3:43**
mortgages, **3:51, 3:76**
Natural resources interests, above
neighborhood changes, **3:39**
offers or options to buy or sell, **3:52**
physical qualities and defects, **3:37**
proof of discount, fractional interests, **3:57**
replacement vs actual cost method, **3:82 et seq.**
restrictions, **3:71**
rezoning issues, **3:44**
subdivision analyses, **3:81**
tax assessments
generally, **3:47**
assessed value, **3:48**
timeshares, **3:56**
Unimproved real property, below
zoning issues, **3:71**
Recapture of estate tax after special use valuation. **Special Use Valuation** (this index)
Reciprocal arrangements, restricted shares and business interests, **3:192**

**FAIR MARKET VALUE—Cont'd**
Reference material use, coin collections, **3:293**
Registration costs, restricted shares, **3:114**
Reinsureds, valuation tables used for, **3:251**
Remainder interests
generally, **3:212 et seq.**
Actuarial tables, above
alternate valuation, **4:21**
depreciable or depletable property, **3:265**
discounted valuation, remainder interest includible with, **3:259**
information required with tax return for deduction of present value of temporary or remainder interest, **3:240**
inter vivos trust, remainder interest includible in, **3:261**
invasion rights after decedent's death, **3:258**
life estate trust, remainder interest includible in
generally, **3:262**
invasion powers, **3:263**
use of valuation tables, **3:252**
Rental property, income capitalization valuation of realty, **3:86, 3:88**
Replacement cost vs comparable sales, estate tax valuation, **3:24**
Replacement vs actual cost method, real property valuation, **3:82 et seq.**
Restricted markets, estate tax valuation, **3:8**
Restricted shares and business interests
generally, **3:111 et seq., 3:148 et seq.**
adequate and full consideration, **3:168**
agreements containing rights or restrictions, **3:162**
Amlie case, **3:158**
basis step up, **3:188**
bona fide business arrangement exception, **3:170**
bona fide business arrangements exception, **3:156**
buy-sell agreements funded by life insurance, **3:185 et seq.**
comparables applicability, **3:157**
consideration, **3:179**
controlling interests issues, **3:159**
discounts, **3:113**
dribble-out valuation method, **3:115**
easements, **3:163**
employees, **3:193**
factors considered, **3:112**
failing health issues, **3:173**
Family limited partnerships, above
first refusal rights, **3:181**
formula price issues, **3:177**

**FAIR MARKET VALUE—Cont'd**
Restricted shares and business interests—Cont'd
general redemption provisions, **3:183**
ineffective restrictions, **3:180**
insurance issues, **3:172**
insurance proceeds exclusion, **3:155**
intervivos transfers, **3:167**
large blocks, **3:184**
life insurance funded buy-sell agreements, **3:185 et seq.**
limited partnerships, **3:171**
multiple rights or restrictions, **3:160**
1990 legislation, **3:148 et seq.**
partnerships, **3:175**
pre-estate tax law restrictions, **3:174**
reciprocal arrangements, **3:192**
registration costs, **3:114**
sale price of shares, **3:176**
testamentary options, **3:191**
testamentary purpose, **3:178**
transfer tax value, **3:150**
value greater than fair market value, **3:182**
voting trusts, **3:189, 3:190**
Restrictions, real property subject to, **3:71**
Retained interests, grantor retained annuity trusts, **3:257**
Revaluation of gifts, estate tax valuation, **3:18**
Reversionary interests
generally, **3:212 et seq.**
Actuarial tables, above
alternate valuation, **4:21**
discounted valuation, reversionary interest includible with, **3:260**
invasion rights after decedent's death, **3:258**
use of valuation tables, **3:252**
Rezoning issues, real property valuation, **3:44**
Sale price approach to valuation, close corporation shares, **3:120**
Sale price of shares, restricted shares and business interests, **3:176**
Sale price shortly after valuation date, value based on, estate tax valuation, **3:14**
Sale restrictions. Restricted shares and business interests, above
Sales price not reflecting value, securities, **3:102**
Seasonal activities, special use valuation election requirements, **5:38 et seq.**
Secured notes, **3:199**
Securities
generally, **3:98 et seq.**
aggregation, no aggregation rule, **3:108**

**FAIR MARKET VALUE—Cont'd**
Securities—Cont'd
bid and asked prices, **3:99**
Blocks of securities, above
Close corporation shares, above
disclaimer to convert controlling interest into a minority interest, **3:107**
discounts, restricted shares, **3:113**
dribble-out valuation method, restricted shares, **3:115**
ex-dividend sales of stock, **3:103**
incomplete selling prices or bid and asked prices, **3:100**
less-than majority blocks, **3:106**
liquidation of large blocks, **3:109**
no value, **3:117**
pledged shares of stocks and bonds, **3:116**
rebuttable presumptions, blocks of securities, **3:105**
registration costs, restricted shares, **3:114**
Restricted shares and business interests, above
sales price not reflecting value, **3:102**
traded and untraded, **3:101**
underwriting fees, **3:110**
Settlement agreements secured by commercial annuities, **3:310**
Ships. Boats and ships, above
Signatures, Books, manuscripts, autographs, and signatures, above
Simultaneous death of owner and insured, life insurance, **3:211**
Special factors, IRS rulings, actuarial tables, **3:230, 3:231**
Special valuation rules
generally, **3:257**
family limited partnerships, **3:151**
Stamp collections, **3:292**
Stolen property, estate tax valuation, **3:15**
Subdivision analyses, unimproved real property valuation, **3:81**
Subsequent land sales, estate tax valuation, **3:22**
Tables, valuation
generally, **3:241 et seq.**
last-to-die factors, **3:254**
reinsured or coinsured, **3:251**
Tax assessments, real property valuation
generally, **3:47**
assessed value, **3:48**
Tax refunds arising from claims, **3:299, 3:300**
Terminally ill
definition, **3:226**

**FAIR MARKET VALUE—Cont'd**
Terminally ill—Cont'd
life interest gifts of terminally ill transferor, **3:227**
Term of years annuities
generally, **3:249**
present value, **3:244**
Terms for years interest
generally, **3:212 et seq.**
Actuarial tables, above
Testamentary options, restricted shares and business interests, **3:191**
Testamentary purpose, restricted shares and business interests, **3:178**
Timber, splitting crops and timber from farmland, **3:67**
Timeshares, **3:56**
Traded and untraded securities, **3:101**
Trade publications use, boat and ship valuations, **3:276**
Transfers of property, election requirements, special use valuation, **5:33**
Transfer tax value, restricted shares and business interests, **3:150**
Trust interests
generally, **3:212 et seq.**
Actuarial tables, above
Trust property, special use valuation election requirements, **5:11, 5:27, 5:42, 5:43**
Trusts
inter vivos trust, remainder interest includible in, **3:261**
remainder interest includible in inter vivos trust, **3:261**
remainder interest includible in life estate trust
generally, **3:262**
invasion powers, **3:263**
Ultimate market as key to appraisal, jewelry and gems, **3:287**
Underwriting fees, securities, **3:110**
Undistributed corporate earnings, alternate valuation, **4:18**
Unimproved real property
generally, **3:59**
building lots, **3:60**
crops, splitting from farmland, **3:67**
discounted cash flow analyses, **3:66**
elections, actual use, **3:68**
factors considered, **3:59**
Farms, above
Improved real property, above
income capitalization method, **3:65**

**FAIR MARKET VALUE—Cont'd**
Unimproved real property—Cont'd
IRS guidelines, **3:78**
ranch property, **3:63**
splitting crops and timber from farmland, **3:67**
subdivision analyses, **3:81**
timber, splitting from farmland, **3:67**
Unitary interest, voting and nonvoting stock valued as, close corporation shares, **3:133**
US savings bonds
generally, **3:140**
discounts, **3:309**
Value based on sale price shortly after valuation date, estate tax valuation, **3:14**
Value greater than fair market value, restricted shares and business interests, **3:182**
Valueless property, **3:29**
Voting and nonvoting stock valued as unitary interest, close corporation shares, **3:133**
Voting trusts, restricted shares and business interests, **3:189, 3:190**
Well-known people, complete works of, **3:282**
Worthless property, estate tax valuation, **3:29**
Zoning issues, real property valuation, **3:71**

**FAMILY BUSINESSES**
Consent of heirs and interested parties, estate tax deductions, **6:310**
Coordination of qualified family-owned business deduction and applicable exclusion amount, **6:306**
Coordination of qualified family-owned business deduction and marital deduction, **6:307**
Elections, family-owned business deductions, **6:309**
Estates to which Section 2057 deduction applies, **6:308 et seq.**
Estate tax deductions. **Taxable Estate** (this index)
Fifty percent liquidity test, estate tax deductions, **6:311**
Gift to, terminable interest rule, **16:155**
Gift valuation, **17:141**
Heirs, consent and liability of, estate tax deductions, **6:310**
Interested parties, consent and liability of, estate tax deductions, **6:310**
Liability of heirs and interested parties, estate tax deductions, **6:310**
Limited partnerships. **Family Limited Partnerships** (this index)
Liquidity test, estate tax deductions, **6:311**
Material participation test, estate tax deductions, **6:312**

**FAMILY BUSINESSES—Cont'd**
Qualified family owned business deduction repeal, **6:302**
Qualified family-owned business interests, estate tax deductions
generally, **6:313**
Section 6166, **6:314**
Recapture tax, estate tax deductions, **6:315 et seq.**
Special valuation rules
generally, **17:14 et seq.**
**Estate Freeze Transfers** (this index)
Stock redemptions affecting estate tax deductions, **6:321**
Written agreement elections, family-owned business deductions, **6:309**

**FAMILY LIMITED PARTNERSHIPS (FLPs)**
Additional discount for installment payments under FLP right to purchase interest, **22:4**
Amlie case, **3:158**
Bona fide business arrangements exception, **3:156**
Controlling interests held by non-family members, **3:159**
Failed FLPs, **22:50**
**Fair Market Value** (this index)
Gifts of FLP Interests, **22:49**
Gift tax exclusions
family limited partnership limited interests, **16:20**
planning, **16:50**
Gross estate determinations, transfers with retained life estates, **2:152**
Insurance proceeds exclusion, **3:155**
Interest accruing after death, deductibility FLP loan to estate, **6:34**
IRS position on family limited partnerships and discounting, **22:44, 22:47**
Limited interests, gift tax exclusions, **16:20**
Loan to estate, interest accruing after death, deductibility, **6:34**
Marital deduction, taxable estate, **6:151**
Market valuation discount, transfers to FLP, **21:11**
Modifications, **3:154**
1990 legislation, **3:152**
Recognition for estate tax purposes, **3:149**
Restrictions on transfers of interests, **3:153**
Taxable estate, marital deduction, **6:151**
Transfer of interest, dollar amount or percentage, **22:51**
Transfers to FLPs, market valuation discount, **21:11**

**FARMS**
Charitable nontrust remainders as qualifying transfers
generally, **6:271**
valuation, **6:272**
Crop share leases, special use valuation election requirements, **5:40**
Definition, farms, farming purposes, **5:21**
**Fair Market Value** (this index)
Filing estate tax returns, **9:7, 9:8**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
Limited partnership interests, special use valuation, **5:29**
Nonagricultural development rights, recapture of estate tax on sale of, **5:98**
Nonagricultural development rights sales, recapture of estate tax after special use valuation, **5:98**
Outright remainder in, gift tax charitable deductions, **16:132**
Special use valuation, **5:5**
election requirements
generally, **5:20, 5:21**
crop share leases, **5:40**
farmland limited partnership interests, **5:29**
recapture of estate tax on sale of nonagricultural development rights, **5:98**

**FIDUCIARIES**
Assessment against, limitation periods, **12:19 et seq.**
Collection suits against, **12:38**
Estate freeze transfers, substitution power exercisable in a fiduciary capacity, **17:96**
**Executors and Administrators** (this index)
Gift tax
collection, notice of fiduciary relationship, **18:44**
waivers of fiduciary's statutory fees as taxable transfer, **14:152**
Life insurance held in fiduciary capacity. See **Gross Estate Determinations** (this index)
Limitation periods, assessment against, **12:19 et seq.**
Notice of fiduciary relationship
Form 56, **11:6**
gift tax collection, **18:44**
settlements of estate tax disputes, **11:2 et seq.**
Payment of tax, early discharge from personal liability, **10:21**
Waivers of statutory fees as gift taxable transfer, **14:152**

**FILING OF TAX RETURNS**
Additional estate tax return for early disposition of farm or closely held business, **9:7, 9:8**
Administrators, gift tax filing requirements, **18:14**
Agents, gift tax filing requirements, **18:16**
Amended returns
estate tax, **9:36**
gift tax, **17:188**
Annual exclusion, transfers not subject to gift tax, **18:10**
Authority to sign return, estate tax, **11:9**
Basis. Estate tax, below
Charitable transfers, transfers not subject to gift tax, **18:11**
Citizens or residents, form of gift tax return, **18:30**
Closely held business, additional estate tax return for early disposition, **9:7, 9:8**
Combat zone service postponements, **9:35**
Contents of gift tax return, **18:27**
Corporations, gift tax filing requirements, **18:13**
**Criminal Penalties** (this index)
Delinquency in filing
estate tax returns, **9:24 et seq.**
gift tax, **18:25**
Disclaimers, transfers not subject to gift tax, **18:9**
Disclosures of information regarding estate, **9:14**
Discount valuations, gift tax returns, **18:28**
Donees, gift tax filing requirements, **18:15**
Donor of gift, supplemental data to be furnished by, **18:29**
Educational payments, transfers not subject to gift tax, **18:7**
Estates, gift tax filing requirements, **18:13**
Estate tax
generally, **9:1 et seq.**
additional returns for early disposition of farm or closely held business, **9:7, 9:8**
amendments of returns, **9:36**
authority to sign return, **11:9**
basis
consistency, **9:40**
grantor trust not included in gross estate, no IRS basis guidance issued, **9:42**
reporting, **9:41**
combat zone service postponements, **9:35**
delinquency in filing, **9:24 et seq.**
disclose information regarding estate, **9:14**
examination of return, **11:11 et seq.**
executors, filing requirements, **9:4**
extensions of time for filing, **9:21**
Form 706 revisions, **9:37**

**FILING OF TAX RETURNS—Cont'd**
Estate tax—Cont'd
grantor trust not included in gross estate, no IRS basis guidance issued, **9:42**
incomplete returns, **9:34**
IRS website and telephone service center, **9:39**
missing persons, **9:9**
nondelegable duty to file, **9:28 et seq.**
nonresident alien's estate tax return, **9:2**
obtaining forms and publications, **9:38, 9:39**
penalties for late filing, **9:31 to 9:33**
persons required to disclose information regarding estate, **9:14**
possessors of estate assets, filing requirements, **9:5**
presumption of death, **9:10**
private delivery service, **9:19, 9:20**
recordkeeping and record retention requirements, **9:11**
Secretary of Treasury filings, **9:6**
signing and verification of estate tax returns, **9:15 et seq.**
supplemental data, **9:12, 9:13**
US citizens and residents, **9:1**
when to file
generally, **9:18**
extensions of time, **9:21**
where to file
nonresident decedents, **9:23**
US resident decedents, **9:22**
who must file, **9:3 et seq.**
Examination of returns
estate tax, **11:11 et seq.**
gift tax, **18:34**
Executors, filing requirements, **9:4**
Executors, gift tax filing requirements, **18:14**
Extensions of time to file, gift tax returns, **18:23**
Failure to file, gift tax, **18:25**
Farms, additional estate tax return for early disposition, **9:7, 9:8**
Foreign persons, notice of large gifts received from, **15:13**
**Generation-Skipping Transfer Tax** (this index)
Gifts, large, received from foreign persons, notice requirements, **15:13**
Gift tax
generally, **18:1**
administrators, filing requirements, **18:14**
agents, filing requirements, **18:16**
amended returns, **17:188**
annual exclusion, transfers not subject to tax, **18:10**

**FILING OF TAX RETURNS—Cont'd**
Gift tax—Cont'd
charitable transfers, transfers not subject to tax, **18:11**
citizens or residents, form of return, **18:30**
contents, **18:27**
corporations, filing requirements, **18:13**
delinquency penalty, **18:25**
disclaimers, transfers not subject to tax, **18:9**
discount valuations, **18:28**
donees, filing requirements, **18:15**
donor, supplemental data to be furnished by, **18:29**
educational payments, transfers not subject to tax, **18:7**
estates, filing requirements, **18:13**
examination of return, **18:34**
executors, filing requirements, **18:14**
extensions of time to file, **18:23**
failure to file, **18:25**
form, citizens or residents, **18:30**
individuals, filing requirements, **18:12**
mail delivery, **18:21**
marital deductions, transfers not subject to tax, **18:8**
medical payments, transfers not subject to tax, **18:7**
nonresident aliens, filing requirements, **18:17**
partnerships, filing requirements, **18:13**
political organizations, transfers not subject to tax, **18:6**
preparation of return, **18:27 et seq.**
private delivery service, **18:22**
purpose of Form 709, **18:2**
reasonable cause for delay, **18:26**
spousal gifts subject to the tax, **18:4**
spouses making split gifts, filing requirements, **18:18**
supplemental data to be furnished by donor, **18:29**
transfers not subject to tax, **18:6 et seq.**
transfers subject to the tax, **18:3 et seq.**
trusts, disclosure of retained power on gift tax return, **14:122**
trusts, filing requirements, **18:13**
when return must be filed
generally, **18:19**
extensions of time to file, **18:23**
incomplete gifts, **18:20**
reasonable cause for delay, **18:26**
where filed, **18:24**
who must file, **18:12**

**FILING OF TAX RETURNS—Cont'd**
Grantor trust not included in gross estate, no IRS basis guidance issued, **9:42**
Incomplete gifts, when return must be filed, **18:20**
Incomplete returns, estate tax, **9:34**
Individuals, gift tax filing requirements, **18:12**
IRS website and telephone service center, **9:39**
Large gifts received from foreign persons, notice requirements, **15:13**
Mail delivery, **18:21**
Marital deductions, transfers not subject to gift tax, **18:8**
Medical payments, transfers not subject to gift tax, **18:7**
Missing persons, estate tax returns, **9:9, 9:10**
Nondelegable duty to file, estate tax returns, **9:28 et seq.**
Nonresident aliens, estate tax return, **9:2**
Nonresident aliens, gift tax filing requirements, **18:17**
Notice requirements, large gifts received from foreign persons, **15:13**
Obtaining forms and publications, **9:38, 9:39**
Partnerships, gift tax filing requirements, **18:13**
Penalties for late filing, **9:31 to 9:33**
Persons required to disclose information regarding estate, **9:14**
Political organizations, transfers not subject to gift tax, **18:6**
Possessors of estate assets, filing requirements, **9:5**
Preparation of return, gift tax, **18:27 et seq.**
Presumption of death, estate tax returns, **9:10**
Private delivery service
estate tax, **9:19, 9:20**
gift tax, **18:22**
Reasonable cause for delay, gift tax, **18:26**
Recordkeeping and record retention requirements, **9:11**
Secretary of Treasury filings, estate tax returns, **9:6**
Signing and verification of estate tax returns, **9:15 et seq.**
Spousal gifts, **18:4**
Spouses making split gifts, gift tax filing requirements, **18:18**
Supplemental data, estate tax returns, **9:12, 9:13**
Supplemental data to be furnished by donor of gift, **18:29**
Transfers not subject to gift tax, **18:6 et seq.**
Transfers subject to gift tax, **18:3 et seq.**
Trusts, disclosure of retained power on gift tax return, **14:122**
Trusts, gift tax filing requirements, **18:13**

**FILING OF TAX RETURNS—Cont'd**
US citizens and residents, estate tax returns, **9:1**
When return must be filed
estate tax
generally, **9:18 et seq.**
extensions of time, **9:21**
gift tax
generally, **18:19**
extensions of time to file, **18:23**
incomplete gifts, **18:20**
reasonable cause for delay, **18:26**
Where return must be filed
estate tax
nonresident decedents, **9:23**
US resident decedents, **9:22**
gift tax, **18:24**
Who must file return
estate tax, **9:3 et seq.**
gift tax
generally, **18:12**
administrators, **18:14**
agents, **18:16**
corporations, **18:13**
donees, **18:15**
estates, **18:13**
executors, **18:14**
nonresident aliens, **18:17**
partnerships, **18:13**
spouses making split gifts, **18:18**
trusts, **18:13**

**FLOWER BONDS**
Estate tax payment with, **10:24**
Fair market value, **3:138 et seq.**

**FLP**
**Family Limited Partnerships** (this index)

**FORCED SALES**
Fair market value, estate tax valuation, **3:13**

**FOREIGN CHARITIES**
Amount of charitable deduction, nonresident noncitizen bequests to, **6:301**
Gifts to, gift tax deductions, **16:89**

**FOREIGN DEATH TAXES CREDIT**
Generally, **7:41 et seq.**
Choice of credit where foreign country and its political subdivision each imposes tax, **7:45**
Computing credit where taxes paid to more than one country, **7:46**
Limitations, **7:42**
Limitations period, **7:49**

**FOREIGN DEATH TAXES CREDIT—Cont'd**
Multiple foreign countries, computing credit, **7:46**
Multiple foreign taxes, **7:43**
Proof of right to credit, **7:48**
Refunds of foreign death taxes
generally, **7:50**
limitations period, **7:49**
Remainders, **7:47**
Reversionary interests, **7:47**
Treaties, **7:44**

**FOREIGN STOCK TRANSFERS**
Gifts by, taxable, nonresidents not citizens of US, **15:8**

**FORM OVER SUBSTANCE RULE**
Gross estate determinations of interests held at death, **2:10**

**FORMS**
65, notice concerning fiduciary relationship, **11:6**
656, offer in compromise, **11:40**
706
agreement to special use valuation, **5:72**
blank form, **App. A**
completed form and commentary, **App. B**
revisions, **9:37**
trustee's statement, **6:224**
706-A, estate tax return, **5:120**
706-CE, foreign death tax, **7:48**
706-GS(D), GST tax return form, **19:124**
706-GS(D-1), GST tax return form, **19:125**
706-GS(D-1), GST tax return form, nonexplicit trusts, **19:126**
706-GS(T), GST tax return form, **19:128**
706-NA, credits, **8:65**
706-QDT, trustee's annual statement, **6:230**
709
blank form and instructions, **App. C**
completed form and commentary, **App. D**
843, refund claim, **12:68**
2848, power of attorney and declaration of representative, **11:8**
4421, executor's commission and attorney's fees, **6:17**
4422, discharge of estate tax lien, **12:51, 12:53**
4768, extension of time to file or pay tax, **10:29**
5495, request for discharge of personal liability under IRC section 2204 or 6905, **10:20**
7004, GST tax return form, **19:132**
8821, Tax Information Authorization, **11:10**
8854, expatriation statement, **8:9**
8892, extension of time to pay, **18:33**

**FORMS—Cont'd**
8939, allocation of basis, **1:10**
Allocation of basis, Form 8939, **1:10**
Application for Certificate Discharging Property Subject to Estate Tax Lien, **12:53**
Application for extension of time to pay estate tax, **10:29**
Assessment bond, **12:14**
Assessment of deficiency, waiver of restrictions on, **11:34**
Bond, assessment, **12:14**
Charitable lead trust, IRS Sample Form, **App. L**
Charitable Remainder Trust, IRS Sample Form, **App. K**
Citizens or residents, gift tax return, **18:30**
Claim for refund, district court actions, **20:31**
Collection of deficiency, waiver of restrictions on, **11:34**
Complaint, district court action for refund, **20:15**
Credits, nonresidents not citizens estate tax, **8:65**
Death, direct skips at, GST tax return form, **19:130**
Deficiencies, waiver of restrictions on assessment and collection, **11:34**
Direct skips at death, GST tax return form, **19:130**
Direct skips inter vivos, GST tax return form, **19:129**
District court actions, claim for refund, **20:31**
Estate tax, form of application for extension of time to pay, **10:29**
Executor's commissions deductions, taxable estate, **6:17**
Extension of time to file, GST tax return form, **19:131**
Gift tax return by citizens or residents, **18:30**
GST tax
706-GS(D), **19:124**
706-GS(D-1), **19:125**
706-GS(D-1), nonexplicit trusts, **19:126**
706-GS(T), **19:128**
7004, tax return, **19:132**
generally, **19:122 et seq.**
direct skips at death, **19:130**
direct skips inter vivos, **19:129**
extension of time to file, **19:131**
taxable distributions, **19:123**
taxable terminations, **19:127**
Intervivos direct skips, GST tax return form, **19:129**
Marital deduction, taxable estate, **6:130**
90-day letter, settlements of estate tax disputes, **11:33**
Nonresidents not citizens estate tax, credits, **8:65**

**FORMS—Cont'd**
Nonresidents not citizens estate tax reporting requirements, **8:9**
Obtaining forms and publications, **9:38, 9:39**
Preparer tax identification number (PTIN), application and renewal, **App. N**
Protests, settlements of estate tax disputes, **11:26**
QDOT tax return, **6:230**
Qualified personal residence trusts, **17:107, App. J**
Refund actions, district court complaint, **20:15**
Refund claims, **12:68**
Restrictions on assessment and collection of deficiency, waiver of, **11:34**
Schedules for forms. **Schedules** (this index)
Settlements of estate tax disputes
assessment of deficiency, waiver of restrictions on, **11:34**
collection of deficiency, waiver of restrictions on, **11:34**
deficiencies, waiver of restrictions on assessment and collection, **11:34**
90-day letter, **11:33**
protests, **11:26**
restrictions on assessment and collection of deficiency waiver of, **11:34**
revocation of notice, **11:6**
termination of notice, **11:6**
waiver of restrictions on assessment and collection of deficiency, **11:34**
Special use valuation agreement, **5:72**
Special use valuation recapture of estate tax, return, **5:120**
Taxable distributions, GST tax return forms, **19:123 et seq.**
Taxable estate
attorneys' fees deductions
generally, **6:24**
nonprobate assets, **6:26**
executor's commissions deductions, **6:17**
marital deduction, **6:130**
Taxable terminations, GST tax return form, **19:127**
Tax Information Authorization form, **11:10**
W-12, IRS paid preparer tax identification number, application and renewal, **App. N**
Waiver of restrictions on assessment and collection of deficiency, **11:34**

**FRATERNAL ORGANIZATIONS**
Deductible gifts to, **16:93**

**FRAUD AND FALSE STATEMENTS**
**Criminal Penalties** (this index)

**FREEZE TRANSFERS**
**Estate Freeze Transfers** (this index)

**FUNERAL EXPENSES**
Taxable estate deductions
generally, **6:12**
community property states, **6:13**

**FUTURE INTERESTS**
Gift tax exclusions, **16:16, 16:17**
Gross estate determinations, **2:108 et seq.**
Taxable estate deductions, future interest expenses, **6:6**

**GEMS**
**Fair Market Value** (this index)

**GENERATION-SKIPPING TRANSFER (GST) TAX**
Generally, **19:1 et seq.**
Adding beneficiaries to GST tax exempt trust as gift taxable transfers, **14:161**
Adopted child status, settlements resolving modifications of exempt trusts, **19:85**
Adopted persons, determining generations
generally, **19:21**
lineal descendant adoption by non-lineal descendant, **19:23**
Allocation during estate tax inclusion period, individual GST exemptions, **19:36**
Allocation of capital gains to income, modifications of exempt trusts, **19:81**
Allocations of exemptions
generally, **19:30**
after transferor's death, **19:38**
election out of automatic allocation rules, **19:45**
indirect skip transfers in trust, **19:33**
indirect skip transfers to trusts
generally, **19:34**
electing out of automatic GST allocations to trusts, **19:35**
lifetime direct skips, **19:32**
unnecessary allocation, **19:31**
**American Taxpayer Relief Act of 2012** (this index)
Applicable fraction computations of tax
generally, **19:101, 19:102**
charitable lead annuity trusts, **19:108**
Appointment of trustee modifications of exempt trusts, **19:71**
Appreciation exempt after allocation, individual GST exemptions, **19:41**
Asset disposition, modifications of exempt trusts, **19:77**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Automatic allocation of unused GST tax exemption after transferor's death, **19:39**
Automatic GST allocations, electing out of, **19:35, 19:45**
Avoiding loss of GST tax exemption on exercise of limited power of appointment, **19:91**
Basis adjustment of property transferred, **19:116**
Beneficiaries, sales of remainder interests acquired, modifications of exempt trusts, **19:80**
Beneficiary's five and five power modifications of exempt trusts, **19:72**
Change of situs modifications of exempt trusts, **19:69**
Charitable lead annuity trust, applicable fraction for, **19:108**
**Computation of Tax** (this index)
Conflicts between per capita and per stirpes distributee, settlement resolving, modifications of exempt trusts, **19:86**
Conversion of GST exempt trusts into unitrusts, **19:79**
Court ordered modifications of exempt trusts, **19:75**
Credit for state generation-skipping transfer taxes, **19:112**
Death, direct skips at, tax return form, **19:130**
Death of descendant within 90 days of transfer, step-up rule, **19:24**
Deemed GST tax, gift splitting and the, **19:110**
Definitions
generally, **19:2**
direct skip, **19:14**
distributions taxable, **19:11 et seq.**
generation, **19:19**
skip person, **19:15**
taxable distributions, **19:11 et seq.**
terminations taxable, **19:6**
transferor, **19:22**
transferors, **19:18**
trust, **19:10**
trusts, **19:13**
Determining generations
generally, **19:19 et seq.**
adopted persons
generally, **19:21**
lineal descendant adoption by non-lineal descendant, **19:23**
half-blood relationships, **19:21**
non-family members, **19:21**
relationships by half-blood, **19:21**
spouse of descendant or transferor, **19:20**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Direct skips
generally, **19:14 et seq.**
allocation of exemption, **19:32**
at death, tax return form, **19:130**
computation of tax, **19:97**
definition, **19:14**
gift, GST tax included in, **19:16**
inter vivos, tax return form, **19:129**
person, skip, **19:15**
QTIP election, GST tax relationship, **19:17**
relation between GST tax and QTIP election, **19:17**
Disclaimer of trust income interests, nonresidents not citizens of US
generally, **15:2**
exclusion issues, **16:78**
Disclaimers, effect of, **19:117**
Disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
Disposition of assets, modifications of exempt trusts, **19:77**
Distributions taxable, **19:11 et seq.**
Divisions, modifications of exempt trusts, **19:67**
Effective date of legislation
generally, **19:3**
exceptions, **19:4**
exempt trusts, **19:63**
Modifications of exempt trusts, below
2010 legislation, **19:5**
Elections
automatic GST allocations, **19:35, 19:45**
IRS simplified method for making a late reverse QTIP election, **19:59**
Estate tax inclusion period
allocation during, **19:36**
computation of tax, **19:107**
Exceptions to automatic allocation, **19:40**
Exemptions
Individual GST exemptions, below
trusts, **19:63 et seq.**
Exempt trusts, conversion into unitrusts, **19:79**
Exercise of limited power of appointment: perpetuities period and the GST exemption, **19:91**
Extension of time, GST exemption amount application, **19:44**
Extension of time to apply the GST exemption amount
generally, **19:43**
Extension of time to file, tax return form, **19:131**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Extension of time to make reverse QTIP elections, **19:57, 19:58**
Failure to exercise withdrawal right, modifications of exempt trusts, **19:83**
Five and five power of beneficiary modifications of exempt trusts, **19:72**
Five and five withdrawal power, modification of, **19:92**
**Forms** (this index)
Gallo exemption, **19:47 et seq.**
Generations
definition, **19:19**
Determining generations, above
Step-up rule, below
Gifts
adding beneficiaries to GST tax exempt trust as taxable transfers, **14:161**
GST tax included in, **19:16**
GST tax included in gift, **19:16**
nontaxable, computation of tax, **19:104**
splitting and the deemed GST tax, **19:110**
spousal splitting of, GST tax implications, **16:183**
Half-blood relationships, determining generations, **19:21**
Inclusion ratio, computation of tax, **19:100**
Income, allocation of capital gains to, modifications of exempt trusts, **19:81**
Index for inflation, individual GST exemptions, **19:28**
Indirect skips, allocation of exemptions
transfers in trust, **19:33**
transfers to trusts
generally, **19:34**
electing out of automatic GST allocations to trusts, **19:35**
Individual GST exemptions
generally, **19:27 to 19:49**
allocation during estate tax inclusion period, **19:36**
allocation of exemption, generally, **19:30**
allocation of GST exemption after transferor's death, **19:38**
allocation to lifetime direct skips, **19:32**
appreciation exempt after allocation, **19:41**
automatic allocation of unused GST tax exemption after transferor's death, **19:39**
exceptions to automatic allocation, **19:40**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Individual GST exemptions—Cont'd
extension of time to apply the GST exemption amount, **19:44**
generally, **19:43**
Gallo exemption, **19:47 to 19:49**
index for inflation, **19:28**
inflation, index for, **19:28**
married individuals' gifts, **19:29**
1990 legislation, **19:47 et seq.**
retroactive allocation of GST exemption, **19:42**
substantial compliance, **19:46**
tax rate, **19:27**
termination of estate tax inclusion period, **19:37**
transferor's death, allocation of GST exemption after, **19:38**
transferor's death, automatic allocation of unused GST tax exemption after, **19:39**
unnecessary allocation of GST exemption amount voided, **19:31**
Individuals with deceased parent, step-up rule, **19:25**
Inflation, index for, individual GST exemptions, **19:28**
Installment payments of estate tax on farm or closely-held business, **10:43**
Interests in property, terminations taxable, **19:8**
Intervivos direct skips, tax return form, **19:129**
Intervivos transfers in trust, computation of tax, **19:105, 19:106**
IRS regulations, modifications of exempt trusts, **19:66**
IRS simplified method for making a late reverse QTIP election, **19:59**
Limited partnership, transfer of trust assets to, modifications of exempt trusts, **19:87**
Manner of making reverse QTIP elections, **19:56 et seq.**
Married individuals' gifts, individual GST exemptions, **19:29**
Mergers, modifications of exempt trusts, **19:70**
Minor beneficiaries, disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
Modification of five and five withdrawal power, **19:92**
Modifications of exempt trusts
generally, **19:63 et seq.**
adopted child status, settlement resolving, **19:85**
allocation capital gains to income, **19:81**
appointments of trustees, **19:71**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Modifications of exempt trusts—Cont'd
asset dispositions, **19:77**
beneficiaries, sales of remainder interests acquired, **19:80**
beneficiary's five and five power, **19:72**
change of situs, **19:69**
conflicts between per capita and per stirpes distributee, settlement resolving, **19:86**
constructive additions, **19:65**
conversion of GST exempt trusts into unitrusts, **19:79**
court ordered modifications, **19:75**
disposition of assets, **19:77**
divisions, **19:67**
failure to exercise withdrawal right, **19:83**
five and five power of beneficiary, **19:72**
GST exempt trusts, conversion into unitrusts, **19:79**
income, allocation of capital gains to, **19:81**
IRS regulations, **19:66**
limited partnership, transfer of trust assets to, **19:87**
mergers, **19:70**
nonjudicial modifications, **19:76**
partial divisions, **19:78**
partitions, **19:67**
perpetuities period, settlement resolving, **19:85**
powers of trustee powers, **19:71**
remainder interests acquired by beneficiaries, sales of, **19:80**
scrivener's error corrections, **19:74**
settlement agreements, **19:73**
settlement resolving adopted child status and perpetuities period, **19:85**
settlement resolving conflicts between per capita and per stirpes distributee, **19:86**
shareholder agreements, **19:82**
situs changes, **19:69**
termination, **19:84**
termination of trust, **19:68**
total return trusts, **19:79**
transfer of trust assets to limited partnership, **19:87**
trustee appointments, **19:71**
trustee powers, **19:71**
unitrusts, conversion of GST exempt trusts into, **19:79**
withdrawal right, failure to exercise, **19:83**
Multiple skips, taxation of, **19:113**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Multiple transfers made to trust, special rules, **19:114**
1990 legislation, individual GST exemptions, **19:47 et seq.**
1995 legislation
nonresidents not citizens, **19:62**
reverse QTIP elections, **19:54**
No loss of exemption due to creation of testamentary GPA, **19:93**
Non-family members, determining generations, **19:21**
Nonjudicial modifications of exempt trusts, **19:76**
Nonresidents not citizens
generally, **19:60 et seq.**
disclaimer of trust income interests
generally, **15:2**
exclusion issues, **16:78**
1995 legislation, **19:62**
Nontaxable gifts, computation of tax, **19:104**
Partial division, modifications of exempt trusts, **19:78**
Partial terminations taxable, **19:7**
Partitions, modifications of exempt trusts, **19:67**
Payment of tax, **19:111**
Perpetuities period, settlement resolving, modifications of exempt trusts, **19:85**
Perpetuities period and the GST exemption, **19:91**
Powers of appointment
generally, **14:131**
releases of, **19:88 et seq.**
testamentary powers over skip trusts, **19:115**
transferors, **19:18**
Powers of trustee. modifications of exempt trusts, **19:71**
Predeceased parent rule, **19:26**
Property interests, terminations taxable, **19:8**
QTIP trust election, GST tax relationship, **19:17**
QTIP trusts
Reverse QTIP elections, below
Relation between GST tax and QTIP election, **19:17**
Relationships by half-blood, determining generations, **19:21**
Releases of powers of appointment, **19:88 et seq.**
Remainder interests acquired by beneficiaries, sales of, modifications of exempt trusts, **19:80**
Retroactive allocation of GST exemption, **19:42**
Reverse QTIP elections
generally, **19:53 et seq.**
extension of time to make, **19:57, 19:58**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Reverse QTIP elections—Cont'd
IRS simplified method for making a late reverse QTIP election, **19:59**
manner of making, **19:56 et seq.**
1995 legislation, **19:54**
step-up rule, **19:55**
time to make, **19:56 et seq.**
Scrivener's error corrections modifying of exempt trusts, **19:74**
Settlement agreement modifications of exempt trusts, **19:73**
Settlement resolving adopted child status and perpetuities period, modifications of exempt trusts, **19:85**
Settlement resolving conflicts between per capita and per stirpes distributee, modifications of exempt trusts, **19:86**
Severance of GST trusts, **19:50 et seq.**
Shareholder agreements, modifications of exempt trusts, **19:82**
Situs change modifications of exempt trusts, **19:69**
Skip person, term defined, **19:15**
Skip trusts, testamentary power of appointment over, **19:115**
Special rules where multiple transfers made to trust, **19:114**
Splitting of gifts by spouses, GST tax implications, **16:183**
Spouse of descendant or transferor, determining generations, **19:20**
Step-up rule
death of descendant within 90 days of transfer, **19:24**
individuals with deceased parent, **19:25**
lineal descendant adoption by non-lineal descendant, **19:23**
predeceased parent rule, **19:26**
reverse QTIP elections, **19:55**
Substantial compliance rule, individual GST exemptions, **19:46**
Support obligations, terminations taxable, **19:9**
Taxable amount for direct skips, **19:97**
Taxable amount for taxable distributions, **19:95**
Taxable amount for taxable terminations, **19:96**
Taxable distributions
generally, **19:95**
tax return forms, **19:123 et seq.**
Taxable terminations, **19:96, 19:127**
Taxation of multiple skips, **19:113**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Tax rate
generally, **19:99**
individual GST exemptions, **19:27**
Tax return forms. **Forms** (this index)
Termination of estate tax inclusion period, individual GST exemptions, **19:37**
Termination of exempt trusts, **19:84**
Terminations taxable
generally, **19:6**
definition, **19:6**
interests in property, **19:8**
partial terminations, **19:7**
property interests, **19:8**
support obligations, **19:9**
trusts, **19:10, 19:13**
Testamentary power of appointment over skip trusts, **19:115**
Time to make reverse QTIP elections, **19:56 et seq.**
Total return trusts, modifications of exempt trusts, **19:79**
Transfer of trust assets to limited partnership, modifications of exempt trusts, **19:87**
Transferor, term defined, **19:22**
Transferors, term defined, **19:18**
Transferor's death
allocation of GST exemption after, **19:38**
automatic allocation of unused GST tax exemption after, **19:39**
Transfers in trust, allocation of exemptions to indirect skips, **19:33**
Transfers to trusts, allocation of exemptions to indirect skips
generally, **19:34**
electing out of automatic GST allocations to trusts, **19:35**
Trust, term defined for GST tax purposes, **19:10, 19:13**
Trustee appointment modifications of exempt trusts, **19:71**
Trustee powers modifications of exempt trusts, **19:71**
Trust terminations taxable, **19:10, 19:13**
2010 legislation, **19:5**
2012 legislation. See **American Taxpayer Relief Act of 2012** (this index)
Unitrusts, conversion of GST exempt trusts into, **19:79**
Valuation of GST property
generally, **19:98**

**GENERATION-SKIPPING TRANSFER (GST) TAX—Cont'd**
Valuation of GST property—Cont'd
availability of alternate valuation election, **19:120**
election of alternate valuation, **19:120**
misstatements of valuation, **19:119**
special valuation rules, **19:103**
Withdrawal right, failure to exercise, modifications of exempt trusts, **19:83**
Wrongful death proceeds, **2:94**

**GIFTS CAUSA MORTIS**
**Causa Mortis Gifts** (this index)

**GIFTS INCLUDED IN ESTATE**
Computation, split gifts made within three years of death, special treatment for, **7:3**
Estate taxation valuation of gifts. See **Valuation** (this index)
Estate tax credit for gift taxes paid on pre-1977 transfers, **7:18 et seq.**
Estate tax payment, taxable gifts, **10:7**
Gift taxes paid on pre-1977 transfers, estate tax credit for, **7:18 et seq.**
Gift to wife of gift tax paid within three years of husband's death included in husband's estate, **14:35**
**Gross Estate Determinations** (this index)
Post-death court ordered gifts, taxable estate deductions, **6:9**
Revaluation of gifts made after August 5, 1997, **7:24, 7:25**
Revaluation of gifts made prior to August 6, 1997, **7:23**
Special use valuation percentage qualification requirements, gift property, **5:52**
Split gifts made within three years of death, special treatment for, **7:3**
Taxable estate deductions, post-death court ordered gifts, **6:9**

**GIFT SPLITTING**
**Split Gifts** (this index)

**GIFT TAX**
Generally, **13:1 et seq.**
Adding beneficiaries to GST tax exempt trust as taxable transfers, **14:161**
Administrators, tax return filing requirements, **18:14**
Administrator's disclaimer treated as taxable transfer, **14:74**
Agents, tax return filing requirements, **18:16**

**GIFT TAX—Cont'd**
American Taxpayer Relief Act, disclaimers of interests as taxable transfers, **14:58**
Annual exclusion
generally, **16:2**
amounts, **17:179**
transfers qualifying for, **14:7**
Annuities
employees', **14:100, 14:101**
exclusions, **16:22, 16:26**
joint and survivor annuities, qualified terminable interest property, **16:173**
Arbitration clauses, Crummey withdrawal rights as creating present interest transfer notwithstanding, **16:45**
Art works
charitable deductions, **16:133**
loans of qualified works of art as taxable transfer, **14:149**
**Assessment** (this index)
Asset protection trusts, **14:56**
Assignments of wrongful death claims as taxable transfers, **14:160**
Authority for proceedings, **13:8**
Authority to make taxable transfer, **14:38**
Beneficial interest transfers, **14:18 et seq.**
Causa mortis gifts
generally, **14:25**
death-bed transfers
generally, **14:32**
payment of estate and gift taxes within three-year period, **14:34**
Charitable Crummey withdrawal power, exclusions, **16:48**
Charitable deductions
generally, **16:79 et seq.**
amount of charitable deduction, **16:128**
art works, **16:133**
charitable lead trusts, guaranteed annuity interest from
generally, **16:109**
determinable amount, **16:110**
regulation limiting, **16:111**
charitable organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
combining charitable remainder and lead unitrusts, **16:112**
commercial annuity, charitable gift annuity funded with, **16:82**
conditions, transfers subject to, **16:97**

**GIFT TAX—Cont'd**
Charitable deductions—Cont'd
conservation easement gifts
generally, **16:102**
valuation, **16:104, 16:105**
copyrighted art works, **16:133**
correcting improper funding of charitable remainder trust, **16:108**
CRAT remainder interests, **16:119**
CRUTs
partition and acceleration, **16:114 et seq.**
remainder interests, **16:119**
transfer of restricted stock to as redemption, **16:81**
educational organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
farm, outright remainder in, **16:132**
financially disabled individual, trust for as recipient of a charitable remainder unitrust, **16:122**
foreign charities gifts to, **16:89**
fraternal organizations, gifts to, **16:93**
guaranteed annuity interest from charitable lead trusts
generally, **16:109**
determinable amount, **16:110**
regulation limiting, **16:111**
income exception CRUT, **16:126**
incomplete gifts, **16:80**
individuals, gifts to, **16:95**
life insurance rights gifts, **16:100, 16:101**
life interests, **16:106**
limitations, **16:121**
literary organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
local governments, gifts to, **16:88**
1969 legislation, **16:86**
nonresidents not citizens, **16:87**
outright gift of undivided portion of donor's entire interest, **16:129 et seq.**
outright remainder in personal residence or farm, **16:132**
partial interest transfers, **16:98 et seq.**
partial termination of CRT followed by purchase of commercial annuities for benefit of individual CRT beneficiaries, **16:123**
partition and acceleration of CRUT, **16:114 et seq.**
pooled income funds, **16:127**
powers, transfers subject to, **16:97**

**GIFT TAX—Cont'd**
Charitable deductions—Cont'd
qualifications of charitable beneficiary, **16:124**
qualified charitable deductions
generally, **16:84**
unqualified deductions, **16:85**
qualifying uses, **16:83 et seq.**
redemption, transfer of restricted stock to CRUT as, **16:81**
reformation of charitable split interests to qualify for gift tax charitable deduction, **16:107**
reformed charitable split interest trust, **16:134**
religious organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
remainder interest gifts, **16:118 et seq.**
residence, outright remainder in, **16:132**
revocable successor life-interest, **16:106**
scientific organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
split interest trust, reformed, **16:134**
stock, ex voting power, **16:99**
supporting organizations, gifts to, **16:91**
ten percent rule, **16:125**
terrorism victims, gifts to, **16:96**
transfer of restricted stock to CRUT as redemption, **16:81**
trustee's allocation of unitrust amount among beneficiaries does not prevent trust from qualifying, **16:113**
trust for financially disabled individual as recipient of a charitable remainder unitrust, **16:122**
United States, gifts to, **16:88**
uses qualifying, **16:83 et seq.**
war veterans organizations, gifts to, **16:94**
Charitable lead trusts, deductible guaranteed annuity interest from
generally, **16:109**
determinable amount, **16:110**
regulation limiting, **16:111**
Charitable lead unitrusts, **14:4**
Charitable organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Charitable remainder trust, correcting improper funding of, **16:108**
Charities, transfers to of QTIP trust remainder interests, **14:20**
Checks as gifts
generally, **14:28**

**GIFT TAX—Cont'd**
Checks as gifts—Cont'd
timing year-end gift checks, **14:29, 16:14**
Children. Minors, below
**Collection of Tax** (this index)
Combining charitable remainder and lead unitrusts for charitable deductions, **16:112**
Commercial annuity, charitable gift annuity funded with, charitable deductions, **16:82**
Commercial annuity bought for spouse, terminable interest rule, **16:146**
Community property interests
generally, **14:97**
life insurance purchased with community property, **14:99**
Comparing lifetime and deathtime transfers, **13:5**
Compensation or gift
generally, **14:10**
excessive compensation, **14:53**
Completed taxable transfers
generally, **14:21 to 14:37**
Causa mortis gifts, above
Checks as gifts, above
Death-bed transfers, below
definition, **14:3**
delivery issues, **14:30, 14:31**
distributions by trust committees, **14:25**
gift to wife of gift tax paid within three years of husband's death included in husband's estate, **14:35**
Incomplete gifts, below
partially complete transfers, **14:24**
preserving spouse's credit shelter with a power of appointment, **14:37**
promise to make a gift, **14:27**
QTIP trust, nonqualified disclaimer to charity as completed gift, **14:117**
resulting trusts, **14:33**
self-settled trust as completed gift, **14:106, 14:107**
structuring transfer to preserve spouse's unified credit, **14:36**
trusts, gifts in, retained powers as rendering gift incomplete, **14:105**
**Computation of Tax** (this index)
Conditional disbursements from gifts in trust, exclusions, notice requirement, **16:35**
Conditions, transfers subject to, charitable deductions, **16:97**
Congressional intention, marital deduction, **16:137**
Conservation easement gifts deductions
generally, **16:102**

**GIFT TAX—Cont'd**
Conservation easement gifts deductions—Cont'd
valuation, **16:104, 16:105**
Consideration
definition, **14:40**
Insufficient consideration transfers, below
Contingent interests
gift splitting by spouses, **16:184**
splitting of gifts by spouses, **16:184**
Conversions of future to present interests, exclusions, **16:17**
Copyrighted art works, charitable deductions, **16:133**
Corporations
exclusions of gifts to, **16:55**
tax return filing requirements, **18:13**
Correlation of gift tax and estate tax, **13:4**
Court appointed guardians, exclusion of gifts by
generally, **16:27**
state law, **16:69**
CRATs, remainder interests, deductions, **16:119**
CRTs
partial termination of CRT followed by purchase of commercial annuities for benefit of individual CRT beneficiaries, deductibility, **16:123**
qualified charitable remainder trust where donor and spouse are not the only noncharitable beneficiaries, **16:138**
qualified charitable remainder trust where donor and spouse are only noncharitable beneficiaries, **16:136**
Crummey transfers, splitting of gifts by spouses, **16:182**
Crummey trusts, exclusions of gifts to minors, **16:68, 16:73**
CRUTs
acceleration, charitable deduction, **16:114 et seq.**
financially disabled individual, trust for as recipient of a charitable remainder unitrust, **16:122**
income exception CRUT, charitable deductions, **16:126**
partition, charitable deduction, **16:114 et seq.**
remainder interests, deductions, **16:119**
trustee's allocation of unitrust amount among beneficiaries does not prevent trust from qualifying, **16:113**
Death-bed transfers
generally, **14:32**
exclusions, **16:15**

**GIFT TAX—Cont'd**
Death-bed transfers—Cont'd
payment of estate and gift taxes within three-year period, **14:34**
Deceased beneficiaries, disclaimers of interests as taxable transfers, **14:69**
Deductions
generally, **16:1, 16:79 et seq.**
Charitable deductions, above
conditions, transfers subject to, **16:97**
conservation easement gifts
generally, **16:102**
valuation, **16:104, 16:105**
educational organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
facade easement with mortgage subordination requirement, **16:103**
fraternal organizations, gifts to, **16:93**
guaranteed annuity interest from charitable lead trusts
generally, **16:109**
determinable amount, **16:110**
regulation limiting, **16:111**
individuals, gifts to, **16:95**
life interest, **16:106**
limitations on charitable deductions, **16:121**
literary organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
local governments, gifts to, **16:88**
Marital deduction, below
partial interest transfers, **16:98 et seq.**
partial termination of CRT followed by purchase of commercial annuities for benefit of individual CRT beneficiaries, **16:123**
pooled income funds, **16:127**
powers, transfers subject to, **16:97**
reformation of charitable split interests to qualify for gift tax charitable deduction, **16:107**
religious organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
scientific organizations, gifts to
generally, **16:90**
transfers to corporations, **16:92**
Splitting of gifts by spouses, below
terrorism victims, gifts to, **16:96**
United States, gifts to, **16:88**
war veterans organizations, gifts to, **16:94**

**GIFT TAX—Cont'd**
Definitions
citizen of a US possession, **14:15**
completed gifts, **14:3**
consideration, **14:40**
expatriate, **15:4**
fixed or ascertainable standard, **14:119**
management powers, **14:125**
nonresident alien, **15:3**
power of appointment, **14:124**
qualified disclaimer, **14:62**
qualified terminable interest property, **16:166**
resident, **14:14**
substantial adverse interest, **14:118**
Delinquency penalty, **18:25**
Delivery issues, **14:30, 14:31**
De minimis gift loans, **14:49**
Disclaimers
administrator exercises, **14:74**
American Taxpayer Relief Act of 2012, **14:58**
benefits of disclaimer, accepting, **14:65**
consideration for disclaimer, receiving, **14:65**
co-trustee, disclaimant's appointment of, **14:79**
deceased beneficiaries, **14:69**
disclaimant's appointment of co-trustee, **14:79**
disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
election by surviving spouse, **14:73**
failure of disclaimant to disclaim remainder interest, **14:60**
federal tax liens, disclaimers and, **14:67**
IRA distributions, **14:90 et seq.**
joint bank, brokerage and other investment accounts, **14:84**
joint disclaimers, **14:66**
jointly-held property, **14:82**
minor beneficiaries, **14:70**
1976 legislation, **14:57 et seq.**
1977 legislation, **14:94**
1981 legislation, **14:59**
1982 legislation, **14:61**
noncitizen surviving spouses, **14:83**
nonqualified disclaimers, **14:75 et seq.**
nonresidents not citizens
generally, **15:2**
exclusion issues, **16:78**
powers of appointment, **14:81**
QTIP trusts, **14:76 et seq.**
QTIP trusts, nonqualified disclaimer to charity as completed gift, **14:117**

**GIFT TAX—Cont'd**
Disclaimers—Cont'd
qualified disclaimers
nonqualified disclaimers distinguished, **14:75 et seq.**
term defined, **14:62**
relinquishment of reserved power in trust, **14:121**
remainder interest, failure of disclaimant to disclaim, **14:60**
remainder interests, failure to disclaim remainder interest, **14:60**
returns, transfers not subject to gift tax, **18:9**
sample disclaimers, **14:68**
spouses as beneficiaries, **14:72 et seq.**
state disclaimer statutes, **14:93**
taxable transfers, disclaimers of interests as, generally, **14:57 et seq.**
tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
time of transfer issues, **14:63, 14:64**
trusts, relinquishment of reserved power, **14:121**
trusts interests, **14:87 et seq.**
2012 legislation, **14:58**
undivided portion disclaimers of, **14:150**
voidable disclaimers, **14:67**
Disclosure rules, 1997 legislation, **17:184 et seq.**
Discount valuations, **18:28**
Discretionary distributions during minority exclusions, **16:61, 16:62**
Distributions by trust committees as taxable transfers, **14:25, 14:108, 14:109**
Donative intent, **14:9 to 14:12**
Donees
number of, exclusions, **16:18**
tax returns, filing requirements, **18:15**
Donor, term defined, **14:13**
Donor retention of interest in property, terminable interest rule
generally, **16:147**
power of appointment retention, **16:148**
Economic reasons, power to terminate trust for, **14:137**
Educational organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Elections
qualified terminable interest property
partial QTIP elections, **16:170**
time to make election, **16:171**
surviving spouse disclaimers of interests as taxable transfers, **14:73**
Elements of a gift, generally, **14:2**

**GIFT TAX—Cont'd**
Employee benefit plan coverage as taxable transfer, **14:158**
Employees' annuities, **14:100, 14:101**
Entirety, tenancies by, taxable transfers, **14:96**
**Estate Freeze Transfers** (this index)
Estates, tax return filing requirements, **18:13**
Estate tax payment as gift, **14:154**
Exclusions
generally, **16:1 et seq.**
amount allowable, **16:2**
Annual exclusion, above
annuities, **16:22, 16:26**
charitable Crummey withdrawal power, **16:48**
checks that clear after December 31, **16:14**
conditional disbursements from gifts in trust, notice requirement, **16:35**
conversions of future to present interests, **16:17**
court appointed guardians, gifts by
generally, **16:27**
state law, **16:69**
cross gifts, **16:4**
Crummey powers, **16:31**
Crummey withdrawal planning of exclusions, **16:51**
death-bed transfers, **16:15**
disclaimers of interests, nonresidents not citizens, **16:78**
discretionary distributions during minority, **16:61, 16:62**
donees, number of, **16:18**
family limited partnership limited interests, **16:20**
family limited partnership planning and annual exclusion gifts, **16:50**
future interests, **16:16, 16:17**
gift checks that clear after December 31, **16:14**
gifts by court appointed guardians
generally, **16:27**
state law, **16:69**
gifts in trust
generally, **16:29**
administrative powers of trustee, **16:53**
charitable Crummey withdrawal power, **16:48**
conditional disbursements, notice requirement, **16:35**
constructive notice of withdrawal rights, **16:41**
Crummey power given to contingent beneficiaries, **16:42, 16:47 et seq., 16:49 et seq.**
Crummey powers, **16:31**
Crummey withdrawal planning, **16:51**

**GIFT TAX—Cont'd**
Exclusions—Cont'd
gifts in trust—Cont'd
Crummey withdrawal right hanging powers, **16:46**
family limited partnership planning and annual exclusion gifts, **16:50**
flexible Crummey withdrawal power, **16:40**
great-grandchildren, withdrawal rights extended to, **16:43**
income distributable in trustee's discretion, **16:30**
insurance policy, notice requirement, **16:37**
invasion power of trustee, **16:52**
lapse of withdrawal right, **16:32 et seq.**
limited partnerships gifts, notice requirement, **16:33**
limited power of withdrawal, **16:39**
managerial powers of trustee, **16:53**
notice of withdrawal power, **16:38**
performance of an act, notice requirement, **16:36**
power of appointment under, notice requirement, **16:34**
renunciations, **16:54**
spouses of children, withdrawal rights extended to, **16:43**
timely notice, **16:32 et seq.**
trustee's power of invasion, **16:52**
withdrawal rights extended to great-grandchildren and spouses of children, **16:43**
gifts to corporations, **16:55**
gifts to nonresident spouses, **16:77**
group insurance policies, **16:25**
guardians, court appointed, gifts by
generally, **16:27**
state law, **16:69**
income distributable in trustee's discretion, **16:30**
income from trust property, **16:8**
increasing the annual exclusions through strawpersons, **16:6**
lapse of withdrawal right, gifts in trust, **16:32 et seq.**
life insurance
generally, **16:22 et seq.**
intent facts vs policy facts, **16:28**
limited interests in family limited partnerships, **16:20**
limited partnerships gifts in trust, notice requirement, **16:33**
medical expenses, **16:9 et seq.**

**GIFT TAX—Cont'd**
Exclusions—Cont'd
Minors, exclusions of gifts to, below
nonresidents not citizens, disclaimers of interests as taxable transfers, **16:78**
nonresident spouses, gifts to, **16:77**
number allowable, **16:2**
number of donees, **16:18**
power of appointment under gift in trust, notice requirement, **16:34**
present interests, **16:16, 16:17**
proof of value of gift, **16:7**
reciprocal gifts, **16:4**
reciprocal trust rule, **16:5**
remainders, **16:21**
renunciations of gifts in trust, **16:54**
restricted interests gifts, **16:19**
reversions, **16:21**
strawpersons, increasing the annual exclusions through, **16:6**
timely notice of gifts in trust, **16:32 et seq.**
traditional rule, **16:3**
tuition expenses, **16:9 et seq.**
uniform gifts and uniform transfers to minors acts, **16:65, 16:72**
value of gift, proof, **16:7**
Executors, tax return filing requirements, **18:14**
Exercises of powers of appointment
generally, **14:143 et seq.**
five and five powers, **14:148**
life income interest transfers, **14:147**
matrimonial agreement, **14:144**
1942 legislation, **14:145 et seq.**
resignation of beneficiaries as trustees and appointment of successors will not cause beneficiaries to have possessed, exercised, or released a power of appointment, **14:127**
terminable interest rule, **16:144**
transfer of life income interest, **14:147**
Expatriates
definition, **15:4**
location of property of, **15:6**
2004 Jobs Act, **15:7**
2008 legislation, **15:9**
Facade easement with mortgage subordination requirement, deductions, **16:103**
Failure to file, **18:25**
Family corporation, gift to, terminable interest rule, **16:155**
Family debt as prearranged plan to avoid, **16:28**
Family limited partnerships
limited interests exclusions, **16:20**

**GIFT TAX—Cont'd**
Family limited partnerships—Cont'd
planning and annual exclusion gifts, **16:50**
Farm, outright remainder in, charitable deductions, **16:132**
Federal or state law applicable, **13:6**
Federal tax liens, disclaimers and, **14:67**
Fiduciary's statutory fees waivers as taxable transfer, **14:152**
**Filing of Tax Returns** (this index)
Filing Tax Returns, **18:1**
Finally determined value, computation, **17:181**
Five and five powers, exercises powers of appointment, **14:148**
Fixed or ascertainable standard, term defined, **14:119**
Foreign charities gifts to, charitable deductions, **16:89**
Foreign persons, notice of large gifts received from, **15:13**
Fraternal organizations, deductible gifts to, **16:93**
Freeze transfers. See **Estate Freeze Transfers** (this index)
Future interests exclusions, **16:16, 16:17**
**Generation-Skipping Transfer Tax** (this index)
Grantor trusts, **14:103**
Gross estate determinations
gift tax paid by noncitizen nonresident not included in gross estate, **8:34**
net gift doctrine, **2:147**
reimbursed gift tax on deemed transfer of QTIP, transfers within three years before death, **2:148**
Group insurance policy exclusions, **16:25**
Improper withdrawal of assets from QTIP trusts, **14:116**
Income exception CRUT, charitable deductions, **16:126**
Income from trust property, exclusions, **16:8**
Income gifts as qualifying separately, exclusions of gifts to minors, **16:64**
Income tax of spouse, payment as taxable transfer, **14:153**
Income to be used to pay life insurance premiums, minors, exclusions of gifts to, **16:63**
Incompetents, gifts by, **14:17**
Incomplete gifts
generally, **14:5, 14:23**
charitable deductions, **16:80**
distributions by trust committees, **14:25**
partially complete transfers, **14:24**
return, when filed, **18:20**

**GIFT TAX—Cont'd**
Incomplete gifts—Cont'd
scrivener's error, reformation for, **14:22**
trust, incomplete gift to, **14:22**
when return must be filed, **18:20**
Increasing the annual exclusions through strawpersons, **16:6**
Indexing, computations, **17:179**
Individuals, deductible gifts to, **16:95**
Installment notes, self cancelling, **14:52**
Insufficient consideration transfers
generally, **14:39 et seq.**
asset protection trusts, **14:56**
child support, **14:47**
consideration, term defined, **14:40**
de minimis gift loans, **14:49**
excessive compensation, **14:53**
installment notes, self cancelling, **14:52**
intrafamily transfers, **14:46**
loans with below market interest rates, **14:48 et seq.**
marital property rights settlements, **14:41 et seq.**
self cancelling installment notes, **14:52**
self-settled trusts, **14:54 et seq.**
support rights settlements, **14:41 et seq.**
Insurance policy gifts in trust exclusions, notice requirement, **16:37**
Intent, donative, **14:9 to 14:12**
Interest rates, loans with below market interest rates, **14:48 et seq.**
Interests in trusts, disclaimers as taxable transfers, **14:87 et seq.**
Interim guidance to tax auditors on pre-appeals conference procedures, **App. G**
Intrafamily transfers, **14:46, 17:74**
IRAs, disclaimers of interests as taxable transfers, **14:90 et seq.**
IRS Estate & Gift Tax Handbook (Current Version of Examination Technique Handbook), **App. H**
Joint accounts, taxable transfers, **14:159**
Joint and several liability for tax, splitting of gifts by spouses, **16:181**
Joint and survivor annuities, qualified terminable interest property, **16:173**
Joint bank, brokerage and other investment accounts, disclaimers of interests as taxable transfers, **14:84**
Joint disclaimers of interests, **14:66**
Jointly-held property
disclaimers of interests as taxable transfers, **14:82**

**GIFT TAX—Cont'd**
Jointly-held property—Cont'd
terminable interest rule
generally, **16:149**
noncitizen donee, **16:150**
Joint powers of appointment, 1942 legislation, **14:138 et seq.**
Large gifts received from foreign persons, notice requirements, **15:13**
Legal life estate plus power of appointment, marital deduction, **16:160**
Life estate gifts, marital deduction
generally, **16:165 et seq.**
life estate plus power of appointment, **16:157 et seq.**
Qualified terminable interest property, below
Life income interest transfers by power of appointment, **14:147**
Life insurance
generally, **14:98**
community property purchase, **14:99**
exclusions
generally, **16:22 et seq.**
intent facts vs policy facts, **16:28**
gift to spouse, terminable interest rule, **16:145**
minors, exclusions of gifts to, **16:63**
premiums, income to be used to pay, **16:63**
Life insurance rights gifts, charitable deductions, **16:100, 16:101**
Life interests, charitable deductions, **16:106**
Lifetime annuity interest, qualified terminable interest property, **16:172**
Lifetime disposition by donee spouse of income interest in QTIP, **16:174, 16:175**
Limitations on charitable deductions, **16:121**
Limited interests in family limited partnerships, exclusions, **16:20**
Limited partnerships gifts in trust exclusions, notice requirement, **16:33**
Literary organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Loans
below market interest rates, **14:48 et seq.**
gift or loan determinations, **14:11**
qualified works of art as taxable transfer, **14:149**
Local governments, deductible gifts to, **16:88**
Management powers, term defined, **14:125**
Mandatory income trusts for minors, exclusions of gifts to
generally, **16:71, 16:74**
objections, **16:75**

**GIFT TAX—Cont'd**
Marital deduction
generally, **16:135 et seq.**
commercial annuity bought for spouse terminable interest rule, **16:146**
Congressional intention, **16:137**
disparity between income interest and power over principal, **16:159, 16:160**
donee spouse's power to appoint, life estate plus power of appointment, **16:164**
donor retention of interest in property terminable interest rule
generally, **16:147**
power of appointment retention, **16:148**
donor's entire property as terminable interest, **16:140**
exercise of power of appointment as transfer, terminable interest rule, **16:144**
gift of remainder interest to spouse, terminable interest rule, **16:141**
income rights restrictions, life estate plus power of appointment, **16:162**
jointly-held property, terminable interest rule
generally, **16:149**
noncitizen donee, **16:150**
legal life estate plus power of appointment, **16:160**
life estate gifts
generally, **16:165 et seq.**
Qualified terminable interest property, below
life estate plus power of appointment, **16:157 et seq.**
life insurance gift to spouse , terminable interest rule, **16:145**
powers of appointment
exercise or release of power of appointment as transfer, terminable interest rule, **16:144**
life estate plus, **16:157 et seq.**
retention by donor terminable interest rule, **16:148**
property which another donee may possess or enjoy, terminable interest rule, **16:143**
qualified charitable remainder trust
where donor and spouse are not only noncharitable beneficiaries, **16:138**
where donor and spouse are only noncharitable beneficiaries, **16:136**
Qualified terminable interest property, below
release of power of appointment as transfer, terminable interest rule, **16:144**
remainder interest gift to spouse, terminable interest rule, **16:141**

**GIFT TAX—Cont'd**
Marital deduction—Cont'd
reservation of power of disposition, terminable interest rule, **16:154**
restrictions on donee spouse's income rights, life estate plus power of appointment, **16:162**
restrictions on transfer to spouse, terminable interest rule, **16:156**
retention by donor of interest in property, terminable interest rule
generally, **16:147**
power of appointment retention, **16:148**
returns, transfers not subject to gift tax, **18:8**
sale of remainder and gift of terminable interest to spouse, **16:142**
savings bonds in donee's name payable to donor on donee's death, terminable interest rule, **16:151**
state law applicability, life estate plus power of appointment, **16:161**
Terminable interest rule, below
trust, terminable interest property held in, **16:152**
trust allocation restrictions, life estate plus power of appointment, **16:163**
unascertainable donee, gift to, terminable interest rule, **16:153**
Market valuation discount, single-member LLC not disregarded for gift tax purposes, **21:16**
Medical expenses exclusions, **16:9 et seq.**
Merger of related companies results in gifts to children, **14:162**
Minors
disclaimers of interests as taxable transfers, **14:70**
disclaimer tax trap, estate and/or GST tax savings as in the minor's best interest, **14:71**
exclusions. Minors, exclusions of gifts to, below
support, insufficient consideration transfers, **14:47**
Minors, exclusions of gifts to
generally, **16:56 et seq.**
Crummey provisions, **16:68**
Crummey trusts, **16:73**
discretionary distributions during minority, **16:61, 16:62**
estate, payable to for minors, **16:57**
general rules, **16:66 et seq.**
gift of income as qualifying separately, **16:64**
income to be used to pay life insurance premiums, **16:63**
life insurance premiums, income to be used to pay, **16:63**

**GIFT TAX—Cont'd**
Minors, exclusions of gifts to—Cont'd
local impediment to appointment of guardian, **16:69**
mandatory income trust
generally, **16:71, 16:74**
objections, **16:75**
notice of withdrawal right, **16:70**
parents and beneficiary deplete own funds, trust funds available only after, **16:62**
power of appointment requirements, **16:60**
power of minor to extend trust beyond age 21, **16:58, 16:59**
requirements of power of appointment, **16:60**
separate qualification of gift of income, **16:64**
state law, local impediment to appointment of guardian, **16:69**
strict construction, **16:57**
Trump accounts, **16:76**
trust, gifts in, **16:67**
trust funds available only after parents and beneficiary deplete own funds, **16:62**
uniform gifts and uniform transfers to minors acts, **16:65, 16:72**
withdrawal right, notice of, **16:70**
Minor's power to extend trust beyond age 21 for exclusion, **16:58, 16:59**
Nature of gift tax, **13:1**
Net gift doctrine, **17:6 et seq.**
Net gift doctrine and gross estate determinations, **2:147**
1942 legislation
exercises of powers of appointment, **14:145 et seq.**
joint powers of appointment, **14:138 et seq.**
1969 legislation, charitable deductions, **16:86**
1976 legislation, disclaimers of interests as taxable transfers, **14:57 et seq.**
1977 legislation, disclaimers of interests as taxable transfers, **14:94**
1981 legislation, disclaimers of interests as taxable transfers, **14:59**
1982 legislation, disclaimers of interests as taxable transfers, **14:61**
1997 legislation, computation, **17:180**
1997 legislation, disclosure rules, **17:184 et seq.**
Nonprofit pleasure clubs, gifts to, **14:8**
Nonresident aliens, tax return filing requirements, **18:17**
Nonresidents not citizens
generally, **15:1 et seq.**
charitable deductions, **16:87**

**GIFT TAX—Cont'd**
Nonresidents not citizens—Cont'd
collection of tax, **18:48**
gross estate determinations, gift tax paid by noncitizen nonresident not included in gross estate, **8:34**
jointly-held property, terminable interest rule, noncitizen donee, **16:150**
Nonresident spouses, exclusions of gifts to, **16:77**
Notice requirements, large gifts received from foreign persons, **15:13**
Number of donees, exclusions, **16:18**
Outline of the tax, **13:2**
Outright remainder in personal residence or farm, charitable deductions, **16:132**
Partial interest transfer deductions, **16:98 et seq.**
Partially complete transfers, **14:24**
Partial termination of CRT followed by purchase of commercial annuities for benefit of individual CRT beneficiaries, deductions, **16:123**
Parties to gift, **14:16**
Partnerships, tax return filing requirements, **18:13**
Payment of spouse's income tax as taxable transfers, **14:153**
Payment of Tax, **18:1**
Political organization transfers, **14:156**
Pooled income funds deductions, **16:127**
Portability, 2010 legislation, **17:191**
Powers, transfers subject to, deductions, **16:97**
Powers of appointment
generally, **14:123 et seq.**
ascertainable standard, power limited by, **14:128**
conversion to unitrust by independent trustee removable by beneficiaries, **14:132**
corporate co-trustee, replacement of, **14:134**
creation, **14:123 et seq.**
creation of power, **14:141, 14:142**
definitions
generally, **14:124**
management powers, **14:125**
disclaimers of interests as taxable transfers, **14:81**
economic reasons, power to terminate trust for, **14:137**
exclusions, notice requirement, **16:34**
Exercises of powers of appointment, above
five and five powers exercises, **14:148**
general powers
generally, **14:126**
beneficiary's withdrawal rights, limiting, general power of appointment, **14:135**

**GIFT TAX—Cont'd**
Powers of appointment—Cont'd
general powers—Cont'd
state law determinations, general vs limited powers, **14:136**
generation-skipping transfers, **14:131**
joint power, release to close a class of beneficiary, **14:129**
joint powers 1942 legislation, **14:138 et seq.**
life estate plus, marital deduction, **16:157 et seq.**
life income interest transfers, **14:147**
limited power
generally, **14:128**
state law determinations, general vs limited powers, **14:136**
management powers, term defined, **14:125**
marital deduction, life estate plus power, **16:157 et seq.**
matrimonial agreement exercise, **14:144**
minors, exclusions of gifts to, **16:60**
1942 legislation
exercises of powers, **14:145 et seq.**
joint powers, **14:138 et seq.**
reduction in number of trustees, **14:133**
releases
joint power to close a class of beneficiary, **14:129**
resignation of beneficiaries as trustees and appointment of successors will not cause beneficiaries to have possessed, exercised, or released a power of appointment, **14:127**
terminable interest rule, **16:144**
replacement of corporate co-trustee, **14:134**
resignation of beneficiaries as trustees and appointment of successors will not cause beneficiaries to have possessed, exercised, or released a power of appointment, **14:127**
special power, **14:130**
terminable interest rule, **16:148**
terminate trust for economic reasons, power to, **14:137**
time of creation of power, **14:142**
transfer of life income interest, **14:147**
Powers of attorney, gifts made under, **14:38**
Present interests exclusions, **16:16, 16:17**
Proceedings, authority for, **13:8**
Promise to make a gift, **14:27**
Proof of value of gift exclusions, **16:7**
Qualified terminable interest property
generally, **16:165**
annuities, joint and survivor annuities, **16:173**

**GIFT TAX—Cont'd**
Qualified terminable interest property—Cont'd
definition, **16:166**
elections
partial QTIP elections, **16:170**
time to make election, **16:171**
joint and survivor annuities, **16:173**
lifetime annuity interest, **16:172**
lifetime disposition by donee spouse of income interest, **16:174, 16:175**
partial QTIP elections, **16:170**
specific interests, **16:169**
total return trusts, **16:168**
trusts
disclaimers of interests as taxable transfers, **14:76 et seq.**
divisions of trusts, **14:112, 14:113**
improper withdrawal of assets, **14:116**
nonqualified disclaimer to charity as completed gift, **14:117**
Remainder interests, below
Rate schedule, **17:190**
Redstone, **14:12**
Reformed charitable split interest trust to obtain gift tax charitable deduction, **16:134**
**Refund Claims** (this index)
Regulations applicable, **13:9**
Reimbursed gift tax on deemed transfer of QTIP, gross estate determinations, transfers within three years before death, **2:148**
Religious organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Relinquishment of reserved power, gifts in trust, **14:121**
Remainder interests
charitable deductions, **16:118 et seq.**
exclusions, **16:21**
failure to disclaim, **14:60**
gift to spouse, terminable interest rule, **16:141**
sale of remainder and gift of terminable interest to spouse, **16:142**
transfers from QTIP trusts
charities, transfers to, **14:20**
spouses, transfers to, **14:19**
Renunciations of gifts in trust, exclusions, **16:54**
Rescissions of gifts, **14:95**
Reservation of power of disposition, terminable interest rule, **16:154**
Residence, outright remainder in, charitable deductions, **16:132**
Resident, term defined, **14:14**

**GIFT TAX—Cont'd**
Restricted interests gifts exclusions, **16:19**
Resulting trusts as completed taxable transfers, **14:33**
Retention by donor of interest in property, terminable interest rule
generally, **16:147**
power of appointment retention, **16:148**
Reversions exclusions, **16:21**
Revocable successor life-interest charitable deductions, **16:106**
Sale of remainder and gift of terminable interest to spouse, **16:142**
Sample disclaimers of interests as taxable transfers, **14:68**
Savings bonds in donee's name payable to donor on donee's death, terminable interest rule, **16:151**
Scientific organizations, deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**
Securities, tax exempt as taxable transfer, **14:151**
Self cancelling installment notes, **14:52**
Self-settled trusts, **14:54 to 14:56, 14:106 to 14:109**
Separate qualification of gift of income, exclusions of gifts to minor, **16:64**
**Settlements of Tax Disputes** (this index)
Single-member LLC not disregarded for gift tax purposes, market valuation discount, **21:16**
**Split Gifts** (this index)
Split interest trust, reformed, charitable deduction, **16:134**
Spouses
disclaimers of interests as taxable transfers, **14:72 et seq.**
election by surviving spouse, disclaimer of interest as taxable transfers, **14:73**
gift to wife of gift tax paid within three years of husband's death included in husband's estate, **14:35**
income tax of spouse, payment as taxable transfer, **14:153**
QTIP trust remainder interest transfers, **14:19**
**Split Gifts** (this index)
State disclaimer statutes, **14:93**
State law
generally, **13:6, 13:7**
disclaimers of interests, state disclaimer statutes, **14:93**
marital deduction, life estate plus power of appointment, **16:161**

**GIFT TAX—Cont'd**
State law—Cont'd
minors, exclusions of gifts to, local impediment to appointment of guardian, **16:69**
Statutes applicable, **13:9**
Statutory construction, **13:3**
Stock, ex voting power, charitable deductions, **16:99**
Strawpersons, increasing the annual exclusions through, **16:6**
Strict construction, minors, exclusions of gifts to, **16:57**
Structuring transfer to preserve spouse's unified credit, **14:36**
Substantial adverse interest, term defined, **14:118**
Supporting organizations, gifts to, charitable deductions, **16:91**
Survivor benefits attributable to service by public safety officer killed in line of duty as taxable transfer, **14:157**
Taxable estate
gift taxes paid within three years of death, **6:147**
unpaid gift taxes deductions, **6:67**
Taxable transfers
generally, **14:1**
adding beneficiaries to GST tax exempt trust, **14:161**
annual exclusion, transfers qualifying for, **14:7**
asset protection trusts, **14:56**
assignments of wrongful death claims, **14:160**
authority to make transfer, **14:38**
beneficial interest, **14:18 et seq.**
Causa mortis gifts, above
charitable lead unitrusts, **14:4**
citizen of a US possession, **14:15**
compensation or gift
generally, **14:10**
excessive compensation, **14:53**
delivery issues, **14:30, 14:31**
de minimis gift loans, **14:49**
Disclaimers of interests as taxable transfers, above
disclaimers of undivided portion, **14:150**
distributions by trust committees, **14:25, 14:108, 14:109**
donative intent, **14:9**
donors, **14:13**
elements of a gift, generally, **14:2**
employee benefit plan coverage, **14:158**
entirety, tenancies by, **14:96**
estate tax payment, **14:154**
excluded transfers, **14:6**

**GIFT TAX—Cont'd**
Taxable transfers—Cont'd
fiduciary's statutory fees waivers, **14:152**
GST tax exempt trust, adding beneficiaries to, **14:161**
income tax of spouse, payment, **14:153**
incompetents, gifts by, **14:17**
Incomplete gifts, above
installment notes, self cancelling, **14:52**
Insufficient consideration transfers, above
intent, donative, **14:9**
joint accounts, **14:159**
life income interest by power of appointment, **14:147**
loan or gift, **14:11**
loans of qualified works of art, **14:149**
loans with below market interest rates, **14:48 et seq.**
miscellaneous transfers, **14:149 et seq.**
nonprofit pleasure clubs, gifts to, **14:8**
partially complete transfers, **14:24**
parties to gift, **14:16**
payment of spouse's income tax, **14:153**
political organization transfers, **14:156**
powers of attorney, gifts made under, **14:38**
preserving spouse's credit shelter with a power of appointment, **14:37**
promise to make a gift, **14:27**
resident, term defined, **14:14**
resulting trusts as completed taxable transfers, **14:33**
securities, tax exempt, **14:151**
self cancelling installment notes, **14:52**
self-settled trusts, **14:54 to 14:56, 14:106 to 14:109**
spouse's income tax, payment, **14:153**
survivor benefits attributable to service by public safety officer killed in line of duty, **14:157**
tax exempt securities, **14:151**
tenancies by the entirety, **14:96**
undivided portion disclaimers of, **14:150**
US savings bonds, **14:155**
waivers of fiduciary's statutory fees, **14:152**
wrongful death claims assignments, **14:160**
Tax exempt securities as taxable transfer, **14:151**
Tax liens, **18:37**
**Taxpayers' Remedies** (this index)
Tenancies by the entirety, taxable transfers, **14:96**
Ten percent rule, charitable deductions, **16:125**
Terminable interest rule
generally, **16:139 et seq.**

**GIFT TAX—Cont'd**
Terminable interest rule—Cont'd
commercial annuity bought for spouse, **16:146**
donor retention of interest in property
generally, **16:147**
power of appointment retention, **16:148**
donor's entire property as terminable interest, **16:140**
exercise of power of appointment as transfer, **16:144**
family corporation, gift to, **16:155**
gift of remainder interest to spouse, **16:141**
jointly-held property
generally, **16:149**
noncitizen donee, **16:150**
life insurance gift to spouse, **16:145**
power of appointment exercise or release, **16:144**
power of appointment retention by donor, **16:148**
property which another donee may possess or enjoy, **16:143**
release of power of appointment as transfer, **16:144**
remainder interest gift to spouse, **16:141**
reservation of power of disposition, **16:154**
restrictions on transfer to spouse, **16:156**
retention by donor of interest in property
generally, **16:147**
power of appointment retention, **16:148**
sale of remainder and gift of terminable interest to spouse, **16:142**
savings bonds in donee's name payable to donor on donee's death, **16:151**
trust, terminable interest property held in, **16:152**
unascertainable donee, gift to, **16:153**
Terrorism victims, deductible gifts to, **16:96**
Theory of estate tax, **1:1**
Time of transfer issues, disclaimers of interests as taxable transfers, **14:63, 14:64**
Total return trusts qualified terminable interest property, **16:168**
Transferee liability for gift tax based on stipulated value, **18:38**
Trusts
adding beneficiaries to GST tax exempt trust as taxable transfers, **14:161**
administrative powers of trustee, exclusions, **16:53**
allocation restrictions, marital deduction, life estate plus power of appointment, **16:163**
apocalypse family trusts, **14:120**
charitable Crummey withdrawal power, exclusions, **16:48**

**GIFT TAX—Cont'd**
Trusts—Cont'd
conditional disbursement exclusions, notice requirement, **16:35**
contingent beneficiaries, Crummey power given to, exclusions, **16:42**
correcting improper funding of charitable remainder trust, **16:108**
creditor rights, **14:104**
Crummey power given to contingent beneficiaries, **16:47 et seq.**
Crummey withdrawal planning of exclusions, **16:51**
Crummey withdrawal right hanging powers, **16:46**
Crummey withdrawal rights as creating present interest transfer notwithstanding:
indirect payment and lack of notice, **16:44**
in terrorem and arbitration clauses, **16:45**
disclosure of retained power on gift tax return, **14:122**
distribution committees, **14:25, 14:108, 14:109**
divisions of trusts
generally, **14:111, 14:115**
QTIP trusts, **14:112, 14:113**
exclusions
constructive notice of withdrawal rights, **16:41**
Crummey withdrawal rights as creating present interest transfer notwithstanding:
indirect payment and lack of notice, **16:44**
in terrorem and arbitration clauses, **16:45**
flexible Crummey withdrawal power, **16:40**
income distributable in trustee's discretion, **16:30**
income from trust property, **16:8**
limited power of withdrawal, **16:39**
notice of withdrawal power, **16:38**
power of appointment under, notice requirement, **16:34**
reciprocal trust rule, **16:5**
family limited partnership planning and annual exclusion gifts, **16:50**
fixed or ascertainable standard, term defined, **14:119**
flexible Crummey withdrawal power, **16:40**
gifts in trust, generally, **14:102 et seq.**
gift tax return, disclosure of retained power on, **14:122**
grantor trusts, **14:103**
great-grandchildren, withdrawal rights extended to, exclusions, **16:43**

**GIFT TAX—Cont'd**
Trusts—Cont'd
improper withdrawal of assets from QTIP trusts, **14:116**
income distributable in trustee's discretion, exclusions, **16:30**
income from trust property, exclusions, **16:8**
income to be used to pay life insurance premiums, minors, exclusions of gifts to, **16:63**
insurance policy exclusions, notice requirement, **16:37**
interests in, disclaimers as taxable transfers, **14:87 et seq.**
invasion power of trustee, exclusions, **16:52**
managerial powers of trustee, exclusions, **16:53**
Mandatory income trusts for minors, exclusions of gifts to, above
mergers of trusts, **14:111, 14:115**
Minors, exclusions of gifts to, above
modifications of trusts, **14:114**
non-pro rata distributions, **14:115**
nonqualified disclaimer of QTIP trust to charity not a completed gift, **14:117**
power of appointment under, exclusions, notice requirement, **16:34**
power of minor to extend trust beyond age 21 for exclusion, **16:58, 16:59**
reciprocal trust rule, exclusions, **16:5**
reformation of charitable split interests to qualify for gift tax charitable deduction, **16:107**
relinquishment of reserved power, **14:121**
resulting trusts as completed taxable transfers, **14:33**
retained powers as rendering gift incomplete, **14:105**
Rev. Rul. 2004-64, **14:103**
self-settled trusts, **14:54 to 14:56, 14:106 to 14:109**
spouses of children, withdrawal rights exclusions extended to, **16:43**
substantial adverse interest, term defined, **14:118**
tax return filing requirements, **18:13**
terminable interest property held in, **16:152**
transfer by trustee, **14:110**
trustee's power of invasion, exclusions, **16:52**
withdrawal rights extended to great-grandchildren and spouses of children, exclusions, **16:43**
Tuition expenses exclusions, **16:9 et seq.**
2004 legislation, expatriates, **15:7**
2008 legislation, expatriates, **15:9**

**GIFT TAX—Cont'd**
2010 legislation, portability, **17:191**
2012 legislation, disclaimers of interests as taxable transfers, **14:58**
Unascertainable donee, gift to, terminable interest rule, **16:153**
Uniform gifts and uniform transfers to minors acts exclusions, **16:65, 16:72**
United States, deductible gifts to, **16:88**
Unpaid gift taxes, taxable estate deductions, **6:67**
US savings bonds, taxable transfers, **14:155**
**Valuation**
**Victims of Terrorism Tax Relief Act of 2001** (this index)
Voidable disclaimers of interests, **14:67**
Void gifts, restoration of unified credit, **17:192**
Waivers of fiduciary's statutory fees as taxable transfer, **14:152**
War veterans organizations, deductible gifts to, **16:94**
Wrongful death claims assignments as taxable transfers, **14:160**

**GOING CONCERN VALUATION**
Business interests, **3:143**

**GOODWILL**
Gross estate determinations, **2:104**

**GRANTOR RETAINED ANNUITY TRUSTS (GRATs)**
**Estate Freeze Transfers** (this index)
Fair market value, retained interests, **3:257**
Gift valuation, zeroed out GRATs, **17:159 et seq.**

**GRANTOR RETAINED UNITRUSTS (GRUTs)**
**Estate Freeze Transfers** (this index)
Retained interest in, gift valuation, **17:162, 17:163**

**GROSS ESTATE**
Definition, **1:4**

**GROSS ESTATE DETERMINATIONS**
Generally, **2:1 to 2:299**
Accumulated income retention rights, transfers with retained life estates, **2:161**
Adequate consideration, term defined, **2:128 et seq.**
Adjusted value of gross estate, **5:50**
Adverse interests, joint powers of appointment, **2:265**
After-born children, right to designate enjoyment of transferred property, **2:186**
Ambiguous power of appointment, beneficiary's, **2:259**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Annuities and pensions
generally, **2:282 et seq.**
amount includible in estate
generally, **2:294**
employer payments, **2:295**
amounts contributed as taxes, **2:296**
annuities under separate employee plans, **2:291**
annuity as property interest or lifetime transfer, **2:297**
annuity tax rule, **2:283**
Canadian retirement plan's indirect holdings of shares in US corporations not subject to US estate tax, **2:299**
combination annuity-insurance contracts, payments under, **2:293**
compensation for services includible, **2:286**
contract types includible, **2:289**
death benefits under separate employee plans, **2:291**
disability, employee payments during, **2:287**
employee payments during illness or disability, **2:287**
illness, employee payments during, **2:287**
life insurance proceeds, **2:292**
1985 legislation, **2:298**
payable to decedent requirement, **2:288**
payments under combination annuity-insurance contracts, **2:293**
period annuity payable or receivable, **2:284**
property interest or lifetime transfer, annuity as, **2:297**
receivable by decedent requirement, **2:288**
salary includible, **2:286**
separate employee plans, annuities and death benefits under, **2:291**
statutory benefits, **2:290**
taxes, amounts contributed as, **2:296**
types of contracts includible, **2:289**
types of payments includible, **2:286**
valuation of retained interests in property included in grantor's estate, **2:285**
Annuity as property interest or lifetime transfer, **2:297**
Annuity tax rule, **2:283**
Annuity trust as conduit to pay income to transferor, transfers with retained life estates, **2:151**
Art works
exhibit in US, nonresidents not citizens, **8:29**
loaned qualified works of art, **2:101**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Ascertainable standards limitations on general powers of appointment
generally, **2:246 et seq.**
revocable transfers, **2:218**
Asset protection trust transfers with retained life estates, **2:170**
Assignments of life insurance. Effect of assignment of life insurance policy, below
Attorneys-in-fact revocable transfers
generally, **2:207**
authority issues, **2:208**
Attribution rules, transfers with retained life estates, **2:179**
Bank accounts
Spousal joint bank accounts, below
Totten trusts, **2:223**
Bank deposits
Cash and bank deposits, below
nonresidents not citizens, **8:48, 8:49**
Beneficial interests
interests held at death, **2:6**
relinquishment of, revocable transfers, **2:222**
stocks and bonds, **2:21**
Beneficiaries of life insurance
estate, insurance receivable by or for benefit of, **2:34 et seq.**
Fiduciary capacity, life insurance ownership held in, below
Incidents of life insurance ownership, below
non-estate beneficiaries, insurance receivable by or for benefit of, **2:38, 2:39**
right to change beneficiary under accidental death policy, **2:66**
Beneficiary obligations, life insurance, **2:36**
Benefit to grantor issues, revocable transfers, **2:214**
Bona fide transfer exception to three year rule, **2:143**
Bonds, nonresidents not citizens, **8:42 et seq.**
Building classified as a trade fixture excluded from landlord's estate, **2:118**
Business interests
generally, **2:102 et seq.**
claims, **2:103**
goodwill, **2:104**
Canadian retirement plan's indirect holdings of shares in US corporations not subject to US estate tax, **2:299**
Cash and bank deposits
generally, **2:27**
checks payable to charity, **2:28**
checks payable to noncharitable donees, **2:29**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Causa mortis. Gifts causa mortis, below
Charities, checks payable to, **2:28**
Checks payable to charity, **2:28**
Checks payable to noncharitable donees, **2:29**
Claims, business interest, **2:103**
Claims. Notes and claims, below
Community property
generally, **2:89**
nonresidents not citizens, **8:36, 8:37**
transfers with retained life estates, **2:176**
Community property life insurance
acquisition of policy prior to community, **2:63**
assignments of policies, **2:69**
cross purchases, **2:64**
insurance receivable by estate or for its benefit, **2:37**
insurance receivable by other beneficiaries, **2:60 et seq.**
IRS guidance, **2:62**
separate property agreements, **2:65**
Conditions or contingencies, powers of appointment subject to
generally, **2:272 et seq.**
disclaimers, **2:276**
lapse
generally, **2:274**
valuation, **2:275**
nongeneral power exercised to create second power, **2:273**
second power, nongeneral power exercised to create, **2:273**
Consideration
adequate consideration, term defined, **2:128 et seq.**
insufficient consideration transfers during life, **2:127**
Contingent remainders, **2:109**
Contractual death benefits, **2:115**
Control of trustee's compensation, life insurance ownership incidents, **2:48**
Conveyances of real estate by decedent, **2:17**
Cooperative housing stock interests, **2:18**
Corporate-owned life insurance on sole or controlling shareholder
generally, **2:57**
control indicia, **2:58**
Corporate stock, nonresidents not citizens, **8:38 et seq.**
Corporation interests
transfers with retained life estates, **2:152**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Corporation interests—Cont'd
transfers with retained voting rights, **2:177, 2:178**
US assets held by foreign corporation but beneficially owned by nonresident alien, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
**Credits, Tax** (this index)
Cross purchases of community property life insurance, **2:64**
Cross trusts, right to designate enjoyment of transferred property, **2:194 et seq.**
Custodian accounts for minors, revocable transfers, **2:220**
Death benefits
contractual, **2:115**
Employee death benefits, below
insurance, **2:32**
Debt obligations of nonresidents not citizens, **8:42 et seq.**
Definitions
gross estate, **1:4**
life insurance, **2:31, 2:33**
powers limited by an ascertainable standard, **2:191**
transfer, **2:125**
Dependents' benefits, workers' compensation, **2:97**
Deposits, nonresidents not citizens, **8:48, 8:49**
Disclaimers of powers of appointment subject to conditions or contingencies, **2:276**
Discretionary power to use life insurance death benefit to pay estate taxes, **2:50**
Dividends, stock and bond, **2:23**
Divisions of irrevocable trusts with retained life estates, **2:153**
Dower and curtesy, **2:19**
Effect of assignment of life insurance policy
generally, **2:67 et seq.**
group policies, **2:68**
Employee death benefits
generally, **2:205**
post-death benefits, **2:112 et seq.**
separate employee plans, **2:291**
transfers taking effect at death, **2:205**
Encumbered spousal joint tenancies, **2:87**
Enjoyment for life transfers of life estates, **2:162 et seq.**
Entity ownership of life insurance, **2:44**
Equitable interests, nonresidents not citizens, **8:47**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Equitable vs legal title distinctions, interests held at death, **2:7**
Escheat property, **2:105**
Estate, insurance receivable by or for benefit of, **2:34 et seq.**
Estate freeze rules, transfers with retained life estates, **2:157**
Estate tax liabilities, discretionary power to use life insurance death benefit to pay estate taxes, **2:50**
Expectancies, interests held at death, **2:5**
Explaining the gross estate, **1:4**
External standard, powers limited by an revocable transfers, **2:224, 2:225**
Family limited partnership interests, transfers with retained life estates, **2:152**
Family members, split purchases among, **2:129**
Fiduciary capacity, life insurance ownership held in
generally, **2:49 et seq.**
avoiding estate inclusion of life insurance owned by trust for benefit of insured/trustee, **2:53**
defective life insurance trust, guidance for correcting, **2:52**
discretionary power to use death benefit to pay estate taxes, **2:50**
spouse as trustee of irrevocable life insurance trust
generally, **2:51**
IRS guidance, **2:70**
Flight insurance, right to change beneficiary under, **2:66**
Form over substance rule, interests held at death, **2:10**
Future interests, **2:108 et seq.**
General partner of limited partnership, right to designate enjoyment of transferred property, **2:187**
General powers of appointment
generally, **2:237 et seq.**
guidelines, substitution powers, **2:244**
heirs at law, disposition to, **2:239**
necessary for welfare language, **2:241**
Nongeneral powers of appointment, below
parents' issue, testamentary power to appoint among, **2:240**
parent's rights under uniform acts, **2:242**
portion of property, power over, **2:243**
substitution power guidelines, **2:244**
testamentary exercises, **2:238**
testamentary power to appoint among parents' issue, **2:240**

**GROSS ESTATE DETERMINATIONS—Cont'd**
General powers of appointment—Cont'd
trustee removal power, **2:255**
Gifts causa mortis
generally, **2:199**
revocable transfers, **2:207**
Gifts during lifetime, reporting of, **2:124**
Gifts for which no gift tax return is required, transfers within three years before death, **2:137**
Gift tax paid by noncitizen nonresident, inclusion in gross estate, **8:34**
Goodwill, **2:104**
Grantor incompetency, revocable transfers, **2:212**
Grantor trust transfers with retained life estates, **2:169**
Gross estate adjusted value, **5:50**
Gross-up rule, transfers within three years before death, **2:142 et seq.**
Group life insurance policies
generally, **2:59**
assignments of policies, **2:68**
Guidelines, substitution general powers of appointment, **2:244**
Heirs at law, general powers of appointment disposition to, **2:239**
Horizontal disclaimers, interests held at death, **2:8**
Household goods
generally, **2:91**
**Fair Market Value** (this index)
Identity of property to be valued, Madoff Ponzi scheme, **2:14, 3:23**
Illegally possessed property, **2:117**
Illinois land trusts, right to designate enjoyment of transferred property, **2:189**
Implied reservations transfers with retained life estates, **2:168**
Improperly funded trusts, interests held at death, **2:12**
Incidents of life insurance ownership
generally, **2:42**
avoiding estate inclusion of life insurance owned by trust for benefit of insured/trustee, **2:53**
control of trustee's compensation, **2:48**
discretionary power to use death benefit to pay estate taxes, **2:50**
entity ownership, **2:44**
Fiduciary capacity, life insurance ownership held in, above
loans to pay premiums, **2:48**
payment of premiums, **2:48**
purpose of ownership test, **2:43**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Incidents of life insurance ownership—Cont'd
rights less than ownership, **2:47**
Income accrued to date of death, **2:92**
Income stream retention resulting in partial interest in transferred property included in decedent's estate, **2:174**
Income tax refunds
generally, **2:98**
case study, **2:100**
netting overpayments and liabilities, **2:99**
Income tax reimbursement to grantor, transfers with retained life estates, **2:169**
Incompetency of grantor, revocable transfers, **2:212**
Incompetent donee, powers of appointment, **2:271**
Incomplete pre-death transfers, **2:111**
Individual retirement accounts, limited power of appointment over subtrust as precluding inclusion in the beneficiary's gross estate, **2:119**
Installment notes. Self-canceling installment notes, below
Insufficient consideration transfers during life, **2:127**
Insurance. Life insurance, below
Insurance death benefits, **2:32**
Insurer records of life insurance ownership, reputability, **2:41**
Interest on stocks and bonds, **2:23**
Interests held at death
generally, **2:2 et seq.**
beneficial interests, **2:6**
Cash and bank deposits, above
equitable vs legal title, **2:7**
expectancies, **2:5**
form over substance rule, **2:10**
horizontal disclaimers, **2:8**
improperly funded trusts, **2:12**
Jointly owned property, below
life estates, **2:5**
Life insurance, above
missing property, **2:4**
Notes and claims, below
private trust companies, IRS proposed guidance, **2:15**
Real estate, below
related party transactions, **2:9**
state law applicability, **2:3**
Stocks and bonds, below
transactions between decedent and related parties, **2:9**
trustee's discretion, shall vs may, **2:11**
unfunded QTIP and family trusts, **2:13**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Intrafamily transfers during life, **2:133**
Irrevocable trust modifications and divisions, transfers with retained life estates
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
IRS guidance
community property life insurance, **2:62**
interests held at death, **2:15**
private trust companies, proposed guidance, **2:15**
Jointly owned property
generally, **2:71 et seq.**
adequacy of consideration, non-spousal joint tenancies, **2:76**
agreements affecting spousal joint tenancies
generally, **2:72**
bank accounts, **2:86**
basis step-up, non-spousal joint tenancies, **2:79**
community property, **2:89**
consideration adequacy, non-spousal joint tenancies, **2:76**
consideration for mortgaged property
non-spousal joint tenancies, **2:80**
spousal joint tenancies, **2:87**
consideration furnished rule, non-spousal joint tenancies, **2:77**
contribution credit, **2:75**
disclaimers, non-spousal joint tenancies, **2:78**
disclaimers, spousal joint bank accounts, **2:85**
discounts, spousal joint tenancies, **2:82**
mortgaged property, consideration for
non-spousal joint tenancies, **2:80**
spousal joint tenancies, **2:87**
Non-spousal joint tenancies, below
planning, spousal joint tenancies, **2:72**
Spousal joint tenancies, below
tenancies in common, **2:73**
Uniform Simultaneous Death Act, **2:88**
Joint powers of appointment
generally, **2:263**
adverse interests, **2:265**
1942 legislation, **2:263, 2:264**
substantial adverse interests, **2:265**
Landlord's estate, building classified as a trade fixture excluded from, **2:118**
Lapses of powers of appointment
generally, **2:267**
conditional powers
generally, **2:274**
valuation, **2:275**
valuation, **2:275**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Law partner of trustee/beneficiary's spouse as subordinate party, **2:184**
Lease-back residence transfers with retained life estates, **2:173**
Life estates
accumulated income retention rights, transfers with retained life estates, **2:161**
asset protection trust transfers with retained life estates, **2:170**
enjoyment for life transfers of life estates, **2:162 et seq.**
estate freeze rules, transfers with retained life estates, **2:157**
grantor trust transfers with retained life estates, **2:169**
implied reservations transfers with retained life estates, **2:168**
income stream retention resulting in partial interest in transferred property included in decedent's estate, **2:174**
income tax reimbursement to grantor, transfers with retained life estates, **2:169**
interests held at death, **2:5**
interests not included in estates, transfers with retained life estates, **2:164**
lease-back residence transfers with retained life estates, **2:173**
modifications of irrevocable trust with retained life estates
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
nonresidents not citizens, **8:22**
partial interest in transferred property included in decedent's estate due to retention of income stream, **2:174**
possession for life transfers of life estates, **2:162 et seq.**
powers of appointment distinguished, **2:233**
proposed regulations, transfers with retained life estates, **2:180**
received from another person, **2:106, 2:107**
rental real estate, partial interest retentions in transfers with retained life estates, **2:160**
residence transfers with retained life estates, **2:171**
retention of possession or enjoyment transfers, **2:163**
Rev. Rul. 2004-64, **2:169**
self-settled trusts, transfers with retained life estates, **2:170**
Transfers with retained life estate, below

**GROSS ESTATE DETERMINATIONS—Cont'd**
Life estates—Cont'd
trustee removal powers, transfers with retained life estates, **2:167**
Life insurance
generally, **2:30 et seq.**
accidental death policy, right to change beneficiary under, **2:66**
acquisition of policy prior to community, **2:63**
annuities, life insurance proceeds, **2:292**
avoiding estate inclusion of life insurance owned by trust for benefit of insured/trustee, **2:53**
Beneficiaries of life insurance, above
beneficiary obligations, **2:36**
combination annuity-insurance contracts, payments under, **2:293**
Community property life insurance, above
control of trustee's compensation, **2:48**
corporate-owned insurance on sole or controlling shareholder
generally, **2:57**
control indicia, **2:58**
cross purchases of community property life insurance, **2:64**
defective life insurance trust, guidance for correcting, **2:52**
definitions, **2:31, 2:33**
discretionary power to use death benefit to pay estate taxes, **2:50**
Effect of assignment of life insurance policy, above
entity ownership, **2:44**
estate, insurance receivable by or for benefit of, **2:34 et seq.**
Fiduciary capacity, life insurance ownership held in, above
flight insurance, right to change beneficiary under, **2:66**
Group life insurance policies, above
guidance for correcting defective life insurance trust, **2:52**
Incidents of life insurance ownership, above
insurer records of ownership, reputability, **2:41**
IRS guidance when such a substitution power will not cause policy to be included in gross estate, **2:40**
loans to pay premiums, **2:48**
no-fault insurance death benefits, **2:32**
non-estate beneficiaries, insurance receivable by or for benefit of, **2:38, 2:39**
nonresidents not citizens, **8:51**
payment of premiums, **2:48**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Life insurance—Cont'd
payments under combination annuity-insurance contracts, **2:293**
pensions, life insurance proceeds, **2:292**
proceeds payable to divorced spouse, **2:55, 2:56**
purpose of ownership test, **2:43**
Rev. Rul. 2011-28, **2:40**
reversionary interests, **2:54**
rights less than ownerships, **2:47**
right to change beneficiary under accidental death policy, **2:66**
settlement dividing insurance proceeds, **2:35**
spouse as trustee of irrevocable life insurance trust
generally, **2:51**
IRS guidance, **2:70**
substitution of insurance policy, IRS guidance, **2:40**
transfers within three years before death, **2:138**
Lifetime gifts, reporting of, **2:124**
Lifetime transfers of US property by nonresidents not citizens, **8:23**
Limitation by ascertainable standard of nongeneral powers of appointment, **2:246 et seq.**
Limited liability company interests, transfers with retained life estates, **2:152**
Loaned qualified works of art, **2:101**
Loans to pay life insurance premiums, **2:48**
Madoff Ponzi scheme, identity of property to be valued, **2:14, 3:23**
Management, retained powers of
revocable transfers, **2:215**
right to designate enjoyment of transferred property, **2:188**
Marital property
dower and curtesy, **2:19**
life insurance proceeds payable to divorced spouse, **2:55, 2:56**
relinquishment of rights
generally, **2:131**
consideration issues, **2:132**
May vs shall trustee's discretion, interests held at death, **2:11**
Missing property, interests held at death, **2:4**
Modifications of irrevocable trusts with retained life estates
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
Mortgaged real property, nonresidents not citizens, **8:25**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Necessary for welfare language in general powers of appointment, **2:241**
Net gift doctrine, transfers within three years before death, **2:147**
Net gifts and gross-up rule, transfers within three years before death, **2:146**
Net taxable estate. See **Taxable Estate** (this index)
1942 legislation
generally, **2:266, 2:277 et seq.**
joint powers of appointment, **2:263, 2:264**
powers of appointment, **2:234**
1949 legislation, retention of reversionary interest by donor, transfers taking effect at death, **2:203**
1981 legislation, transfers within three years before death, **2:136**
1985 legislation, annuities and pensions, **2:298**
1997 legislation, gifts from revocable trusts, **2:139, 2:140**
No-fault insurance death benefits, **2:32**
Nongeneral powers of appointment
ascertainable standards limitation, **2:246 et seq.**
Conditions or contingencies, powers of appointment subject to, above
exercises to create second power, **2:273**
General powers of appointment, above
grantor's power of substitution over trust's assets, **2:257**
imputation of trustee's powers to beneficiary, **2:258**
limitation by ascertainable standard, **2:246 et seq.**
scrivener's error issues, **2:251**
self-appointment, **2:260 et seq.**
spendthrift clauses, **2:252**
state law applicability, **2:249, 2:250**
trustee removal power, **2:255**
trustee replacement powers, **2:253**
trustee replacement with remainder person, **2:254**
trustee's discretion subject to ascertainable standard, **2:256**
**Nonresidents Not Citizens** (this index)
Non-spousal joint tenancies
generally, **2:74**
adequacy of consideration, **2:76**
basis step-up, **2:79**
consideration adequacy, **2:76**
consideration for mortgaged property, **2:80**
consideration furnished rule, **2:77**
contribution credit, **2:75**
disclaimers, **2:78**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Non-spousal joint tenancies—Cont'd
mortgaged property, consideration for, **2:80**
Notes and claims
generally, **2:24 et seq.**
Self-canceling installment notes, below
Overlapping of grounds of taxability, transfers during life, **2:122**
Parent's general powers of appointment under uniform acts, **2:242**
Parents' issue, testamentary power to appoint among, **2:240**
Partial interest in transferred property included in decedent's estate due to retention of income stream, **2:174**
Partial interest retentions in transfers with retained life estates
generally, **2:159**
rental real estate, **2:160**
Partnership interests, nonresidents not citizens, **8:41**
Payment of life insurance premiums, **2:48**
Pensions. Annuities and pensions, above
Period annuity payable or receivable, annuities and pensions, **2:284**
Personal effects
generally, **2:91**
**Fair Market Value** (this index)
Portion of property, general power of appointment over, **2:243**
Possession for life transfers of life estates, **2:162 et seq.**
Powers limited by an external standard, revocable transfers, **2:224, 2:225**
Powers limited by ascertainable standard
revocable transfers, **2:218**
right to designate enjoyment of transferred property, **2:191 et seq.**
Powers of appointment
generally, **2:227 et seq.**
adverse interests, joint powers, **2:265**
ambiguous power of appointment, beneficiary's, **2:259**
Conditions or contingencies, powers of appointment subject to, above
definitions
generally, **2:228 to 2:233**
general power, **2:237**
nongeneral power, **2:245**
disclaimers, powers subject to conditions or contingencies, **2:276**
donee's death before completion of administration of donor's estate, **2:270**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Powers of appointment—Cont'd
donee's death before probate of donor's will, **2:269**
economic reasons, power to terminate trust for, **2:232**
General powers of appointment, above
grantor's power of substitution over trust's assets, **2:257**
imputation of trustee's powers to beneficiary, **2:258**
inclusion in gross estate of property subject to power of withdrawal, **2:268**
incompetent donee, **2:271**
individual retirement accounts, limited power of appointment over subtrust as precluding inclusion in the beneficiary's gross estate, **2:119**
inter vivos instrument, power created by, **2:236**
Joint powers of appointment, above
Lapses of powers of appointment, above
life estates distinguished, **2:233**
minor donee, **2:271**
1942 legislation, **2:234**
Nongeneral powers of appointment, above
power exercisable in conjunction with others, revocable transfers, **2:213**
scrivener's error issues, nongeneral powers of appointment, **2:251**
second power, nongeneral power exercised to create, **2:273**
self-appointment, **2:260 et seq.**
spendthrift clauses, **2:252**
state law applicability, nongeneral powers of appointment, **2:249, 2:250**
substantial adverse interests, joint powers, **2:265**
summary of rules, **2:281**
survivorship condition, transfers taking effect at death, **2:201**
trust distribution committees under scrutiny by IRS, **2:231**
trustee removal powers, **2:255**
trustee replacement powers, **2:253, 2:254**
trustee replacement with remainder person, **2:254**
trustee's discretion subject to ascertainable standard, **2:256**
wills, powers created by, **2:235**
withdrawal power, inclusion in gross estate of property subject to, **2:268**
Powers to remove and replace with trustee unrelated or subordinate to the decedent, revocable transfers, **2:219**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Pre-death transfers, incomplete or void, **2:111**
Private trust companies interests held at death, IRS proposed guidance, **2:15**
QTIP trusts. See **Qualified Terminable Interest Property (QTIP)** (this index)
Real estate
generally, **2:16 et seq.**
conveyances by decedent, **2:17**
cooperative housing stock interests, **2:18**
dower and curtesy, **2:19**
nonresidents not citizens, **8:24**
Reciprocal custodial accounts, uncrossing, revocable transfers, **2:221**
Reciprocal trusts, right to designate enjoyment of transferred property, **2:194 et seq.**
Recovery of tax from recipient of transferred property, **2:197**
Reimbursed gift tax on deemed transfer of QTIP, transfers within three years before death, **2:148**
Related party transactions, interests held at death, **2:9**
Relinquishment of marital property and support rights
generally, **2:131**
consideration issues, **2:132**
Remainders
generally, **2:108**
contingent remainders, **2:109**
Rental real estate, partial interest retentions in transfers with retained life estates, **2:160**
Reporting of lifetime gifts, **2:124**
Reserved powers of management, right to designate enjoyment of transferred property, **2:188**
Residence transfers with retained life estates, **2:171**
Residence transfers with retained life estates, qualified personal residence trust, **2:175**
Retained powers of management, revocable transfers, **2:215**
Retention of reversionary interest by donor, transfers taking effect at death
generally, **2:202**
1949 legislation, **2:203**
value of reversionary interest, **2:204**
Rev. Rul. 95-58, power of appointment defined, **2:229**
Rev. Rul. 95-58, transfers with retained life estates, **2:167**
Rev. Rul. 1995-58, right to designate enjoyment of transferred property, **2:183**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Rev. Rul. 2004-64, transfers with retained life estates, **2:169**
Rev. Rul. 2011-28, life insurance, **2:40**
Reversionary interests
generally, **2:110**
life insurance, **2:54**
transfers taking effect at death, retention of reversionary interest by donor
generally, **2:202**
1949 legislation, **2:203**
valuation, **2:204**
Revocable transfers
generally, **2:206**
amount includible in gross estate, **2:226**
ascertainable standard, powers limited by, **2:218**
attorneys-in-fact transfers
generally, **2:207**
authority issues, **2:208**
beneficial interest, relinquishment of, **2:222**
benefit to grantor issues, **2:214**
custodian accounts for minors, **2:220**
date of existence of power to alter, amend, or revoke, **2:210**
decedent's control over selection of trustee, **2:217**
external standard, powers limited by an, **2:224, 2:225**
gifts causa mortis, **2:207**
incompetency of grantor, **2:212**
management, retained powers of, **2:215**
materiality of capacity in which power exercisable, **2:211**
power exercisable in conjunction with others, **2:213**
powers limited by an external standard, **2:224, 2:225**
powers limited by ascertainable standard, **2:218**
power to remove and replace with trustee unrelated or subordinate to the decedent, **2:219**
reciprocal custodial accounts, uncrossing, **2:221**
relinquishment of power to alter, revoke, or terminate, **2:209**
retained powers of management, **2:215**
retained powers which do not subject the transferred property to federal estate tax, **2:216**
savings bank trusts, **2:223**
selection of trustee, decedent's control over, **2:217**
taxable powers, **2:214**
Totten trusts, **2:223**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Revocable transfers—Cont'd
transfers by attorneys-in-fact
generally, **2:207**
authority issues, **2:208**
uncrossing reciprocal custodial accounts, **2:221**
Right to designate enjoyment of transferred property
generally, **2:181 et seq.**
after-born children, **2:186**
cross trusts, **2:194 et seq.**
decedent-grantor acting as trustee, **2:185**
general partner of limited partnership, **2:187**
Illinois land trusts, **2:189**
law partner of trustee/beneficiary's spouse as subordinate party, **2:184**
management, reserved powers of, **2:188**
powers limited by an ascertainable standard, **2:191 et seq.**
power to invade principal limited by external standard, **2:190**
reciprocal trusts, **2:194 et seq.**
replacement of trustee with an independent trustee, **2:182**
reserved powers of management, **2:188**
Rev. Rul. 95-58, **2:183**
Savings bank trusts, **2:223**
**Schedules** (this index)
Scrivener's error issues, nongeneral powers of appointment, **2:251**
Second power, nongeneral power exercised to create, **2:273**
Securities. Stocks and bonds, below
Self-appointment under power of appointment, **2:260 et seq.**
Self-canceling installment notes
generally, **2:25**
valuation, **2:26**
Self-settled trusts, transfers with retained life estates, **2:170**
Separate employee plans, annuities and death benefits under, **2:291**
Settlement dividing insurance proceeds, **2:35**
Shall vs may, trustee's discretion, interests held at death, **2:11**
Simultaneous death
jointly owned property, **2:88**
transfers taking effect at death
generally, **2:200**
powers of appointment effects, **2:201**
Spendthrift clauses in powers of appointment, **2:252**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Split gifts
gross-up rule, transfers within three years before death, **2:149**
transfers during life, **2:126**
Split purchases among family members, **2:129**
Split purchases under the special valuation rules, **2:130**
Spousal joint bank accounts
generally, **2:84**
agreements, effect of, **2:86**
disclaimers, **2:85**
Spousal joint tenancies
generally, **2:81**
agreements affecting
generally, **2:72**
bank accounts, **2:86**
discounts, **2:82**
encumbered property, **2:87**
planning, **2:72**
Spousal joint bank accounts, below
Spouse as trustee of irrevocable life insurance trust
generally, **2:51**
IRS guidance, **2:70**
Spouses
discounts, spousal joint tenancies, **2:82**
life insurance proceeds payable to divorced spouse, **2:55, 2:56**
transfers within three years before death, split gifts between, gross-up rule, **2:149**
State law
interests held at death, **2:3**
nongeneral powers of appointment, **2:249, 2:250**
self-appointment under power of appointment, **2:260 et seq.**
Step transactions and the gross-up rule, transfers within three years before death, **2:145**
Stocks and bonds
generally, **2:20 et seq.**
beneficial interests, **2:21**
cooperative housing stock interests, **2:18**
dividends, **2:23**
interest, **2:23**
tax exempt securities, **2:22**
Stolen property, **2:117**
Substantial adverse interests, joint powers of appointment, **2:265**
Substitution power guidelines, **2:244**
Support obligations, transfers with retained life estates, **2:165**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Support rights relinquishments
generally, **2:131**
consideration issues, **2:132**
Survivorship condition, transfers taking effect at death
generally, **2:200**
powers of appointment effects, **2:201**
Tangible personal property, nonresidents not citizens, **8:26 et seq.**
**Taxable Estate** (this index)
Taxable powers, revocable transfers, **2:214**
Tax exempt securities, **2:22**
Tenancies in common, **2:73**
Testamentary exercises of general powers of appointment, **2:238**
Testamentary power to appoint among parents' issue, **2:240**
Totten trusts, **2:223**
Trade fixtures, building classified as a trade fixture excluded from landlord's estate, **2:118**
Transactions between decedent and related parties, interests held at death, **2:9**
Transfers
powers of appointment created by inter vivos instrument, power created by, **2:236**
recovery of tax from recipient of transferred property, **2:197**
Revocable transfers, above
Right to designate enjoyment of transferred property, above
Transfers by attorneys-in-fact, revocable
generally, **2:207**
authority issues, **2:208**
Transfers during life
generally, **2:120 et seq.**
adequate consideration, term defined, **2:128 et seq.**
definition, **2:125**
family members, split purchases among, **2:129**
gifts during lifetime, reporting of, **2:124**
insufficient consideration transfers, **2:127**
intrafamily transactions, **2:133**
lifetime gifts, reporting of, **2:124**
overlapping of grounds of taxability, **2:122**
relinquishment of marital property and support rights
generally, **2:131**
consideration issues, **2:132**
reporting of lifetime gifts, **2:124**
split gifts, **2:126**
split purchases among family members, **2:129**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Transfers during life—Cont'd
split purchases under the special valuation rules, **2:130**
valuation date, **2:123**
was there a transfer of property by decedent, **2:134**
who is the transferor, **2:135**
Transfers taking effect at death
generally, **2:198**
causa mortis gifts, **2:199**
death benefit under employment contract, **2:205**
gifts causa mortis, **2:199**
retention of reversionary interest by donor
generally, **2:202**
1949 legislation, **2:203**
value of reversionary interest, **2:204**
Revocable transfers, above
survivorship condition
generally, **2:200**
powers of appointment effects, **2:201**
Transfers within three years before death
generally, **2:136 et seq.**
bona fide transfer exception, **2:143**
gifts for which no gift tax return is required, **2:137**
gifts from revocable trusts, **2:139, 2:140**
gross-up rule, **2:142 et seq.**
life insurance transfers, **2:138, 2:141**
net gift doctrine, **2:147**
net gifts and gross-up rule, **2:146**
1981 legislation, **2:136**
1997 legislation, **2:139, 2:140**
reimbursed gift tax on deemed transfer of QTIP, **2:148**
Revocable transfers, above
revocable trusts, gifts from, **2:139, 2:140**
split gifts between spouses, gross-up rule, **2:149**
state apportionment statutes; Sommers 1 and 2 decisions, **2:144**
step transactions and the gross-up rule, **2:145**
Transfers with retained life estates
generally, **2:150 et seq.**
accumulated income retention rights, **2:161**
amount includible, **2:158 et seq.**
annuity trust as conduit to pay income to transferor, **2:151**
asset protection trusts, **2:170**
attribution rules, **2:179**
community property transfers, **2:176**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Transfers with retained life estates—Cont'd
controlled corporation, retention of voting rights in, **2:177, 2:178**
corporation interests, **2:152**
divisions of irrevocable trusts
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
enjoyment for life, **2:162 et seq.**
estate freeze rules, **2:157**
family limited partnership interests, **2:152**
grantor trust rules, **2:155, 2:156**
grantor trusts, **2:169**
implied reservations, **2:168**
income stream retention resulting in partial interest in transferred property included in decedent's estate, **2:174**
income tax reimbursement to grantor, **2:169**
interests not included in estate, **2:164**
lease-back residence transfers, **2:173**
limited liability company interests, **2:152**
modifications of irrevocable trusts
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
not-in-trust transfers, **2:166**
partial interest in transferred property included in decedent's estate due to retention of income stream, **2:174**
partial interest retentions
generally, **2:159**
rental real estate, **2:160**
possession for life, **2:162 et seq.**
proposed regulations, **2:180**
qualified personal residence trust, **2:175**
recovery of tax from recipient of transferred property, **2:197**
rental real estate, partial interest retentions, **2:160**
residences, **2:171**
retained right to accumulate income, **2:161**
retention of possession or enjoyment, **2:163**
retention of voting rights in controlled corporation, **2:177, 2:178**
Rev. Rul. 95-58, **2:167**
Rev. Rul. 2004-64, **2:169**
Right to designate enjoyment of transferred property, above
self-settled trusts, **2:170**
support obligations, **2:165**
trustee removal powers, **2:167**
Wyly case, **2:176**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Trustee discretion, shall vs may, interests held at death, **2:11**
Trustee discretion subject to ascertainable standard in powers of appointment, **2:256**
Trustee removal power in general powers of appointment, **2:255**
Trustee removal powers, transfers with retained life estates, **2:167**
Trustee replacement powers in powers of appointment, **2:253, 2:254**
Trustee replacement with remainder person, **2:254**
Trusts
asset protection trust transfers with retained life estates, **2:170**
avoiding estate inclusion of life insurance owned by trust for benefit of insured/trustee, **2:53**
cross trusts, right to designate enjoyment of transferred property, **2:194 et seq.**
decedent-grantor acting as trustee, right to designate enjoyment of transferred property, **2:185**
decedent's control over selection of trustee, revocable transfers, **2:217**
defective life insurance trust, guidance for correcting, **2:52**
economic reasons, power to terminate trust for, **2:232**
grantor's power of substitution over trust's assets, **2:257**
grantor trust rules, transfers with retained life estates, **2:155, 2:156**
irrevocable trust modifications and divisions with retained life estates
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
law partner of trustee/beneficiary's spouse as subordinate party, **2:184**
power to invade principal limited by external standard, right to designate enjoyment of transferred property, **2:190**
power to terminate trust for economic reasons, **2:232**
qualified personal residence trust, transfers with retained life estates, **2:175**
reciprocal trusts, right to designate enjoyment of transferred property, **2:194 et seq.**
replacement of trustee with an independent trustee, right to designate enjoyment of transferred property, **2:182**
revocable transfers
decedent's control over selection of trustee, **2:217**

**GROSS ESTATE DETERMINATIONS—Cont'd**
Trusts—Cont'd
revocable transfers—Cont'd
selection of trustee, decedent's control over, **2:217**
right to designate enjoyment of transferred property, replacement of trustee with an independent trustee, **2:182**
selection of trustee, decedent's control over, revocable transfers, **2:217**
spouse as trustee of irrevocable life insurance trust
generally, **2:51**
IRS guidance, **2:70**
transfers with retained life estates, qualified personal residence trust, **2:175**
Uncrossing reciprocal custodial accounts, revocable transfers, **2:221**
Uniform minors acts, parent's general powers of appointment under, **2:242**
US assets held by foreign corporation but beneficially owned by nonresident alien, nonresidents not citizens, **8:35**
US assets owned through foreign corporation by nonresident alien, **8:30**
US property of nonresidents not citizens, **8:21**
**Valuation** (this index)
Void pre-death transfers, **2:111**
Wills, powers of appointment created by, **2:235**
Withdrawal power, inclusion in gross estate of property subject to, **2:268**
Workers' compensation dependents' benefits, **2:97**
Wrongful death proceeds
generally, **2:93 et seq.**
beneficiary of claim, **2:95**
generation-skipping transfer tax, **2:94**
survivors' loss benefits under no-fault insurance, **2:96**
workers' compensation dependents' benefits, **2:97**

**GROSS-UP RULE**
Gross estate determinations, transfers within three years before death, **2:142 et seq.**

**GROUP INSURANCE POLICIES**
Gift tax exclusions, **16:25**

**GRUT**
**Grantor Retained Unitrusts** (this index)

**GST TAX**
**Generation-Skipping Transfer Tax** (this index)

**GUARDIANS**
Gifts by, exclusions
generally, **16:27**
state law, **16:69**

**HEIRS**
Family-owned businesses, consent and liability of heirs, estate tax deductions, **6:310**
Heirs at law, general powers of appointment disposition to, gross estate determinations, **2:239**
Special use valuations
active management by eligible qualified heirs, **5:101**
qualified heir elections
generally, **5:12**
successive interests, **5:16**

**HIGHEST AND BEST USE**
Real property valuation, **3:41 et seq.**
Special use valuation, **5:1**

**HOLDING COMPANIES**
Installment payments of estate tax
generally, **10:62, 10:63**
elections, **10:69**

**HORIZONTAL DISCLAIMERS**
Gross estate determinations of interests held at death, **2:8**

**HOUSEHOLD GOODS**
**Fair Market Value** (this index)
Gross estate determinations, **2:91**

**IDENTIFICATION NUMBERS**
Preparer tax identification number (PTIN), application and renewal, **App. N**
Settlements of estate tax disputes, application for identification number, **11:2**

**ILIT**
**Irrevocable Life insurance Trusts** (this index)

**ILLEGALLY POSSESSED PROPERTY**
Gross estate determinations, **2:117**

**INCOME CAPITALIZATION VALUATION**
**Fair Market Value** (this index)

**INCOME TAX**
Deductions
estate tax deductions or
generally, **6:47**
elections, **6:48**
medical expenses, **6:91**

**INCOME TAX—Cont'd**
Estate tax payments, offset by beneficiary's overpaid income tax, **10:13**
Estate tax vs income tax, nonresidents not citizens, **8:17**
Gift tax, tax exempt securities as taxable transfer, **14:151**
Joint income tax returns, unpaid income taxes deductibility from taxable estate, **6:70**
Netting overpayments and liabilities, gross estate determinations, **2:99**
Payment of spouse's income tax as taxable transfers, **14:153**
Post-death events. unpaid income taxes deductibility from taxable estate, **6:69**
Post-death income taxes, unpaid income taxes deductibility from taxable estate, **6:71**
Refunds, gross estate determinations
generally, **2:98**
case study, **2:100**
netting overpayments and liabilities, **2:99**
Spouse's income tax, payment as taxable transfer, **14:153**
Taxable estate deductions, unpaid income taxes. **Taxable Estate** (this index)
Tax exempt securities as taxable transfer, gift tax, **14:151**

**INCOMPETENTS**
Actuarial tables, mentally incompetent decedents, **3:229**
Gifts by incompetents, **14:17**
Gross estate determinations, powers of appointment, incompetent donee, **2:271**
Powers of appointment, incompetent donee, gross estate determinations, **2:271**
Terminable interest rule for marital deductions, incompetency provision in joint trust, **6:172**

**INDEXING**
Fair market value, annual indexed amounts, **App. F**
Generation-skipping transfer tax, index for inflation, **19:28**
Gift tax computations, **17:179**

**INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)**
Charity as beneficiary, amount of charitable deduction, **6:295**
Disclaimers of interests as taxable transfers, gift tax, **14:90 et seq.**
Distributions to noncitizen spouse for the marital deduction, **6:227 et seq.**
Electing QTIP treatment for, **6:215**

**INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)—Cont'd**
Fair market value, **3:308**
Gift tax, disclaimers of interests as taxable transfers, **14:90 et seq.**
Gross estate determinations, limited power of appointment over IRA subtrust as precluding inclusion in the beneficiary's gross estate, **2:119**
Noncitizen spouses, distributions to for the marital deduction, **6:227 et seq.**
QTIP treatment, qualifying IRAs for, **6:214**
Qualified domestic trusts, distributions to, **6:227 et seq.**

**INDIVIDUALS**
Conservation easement exclusions, qualified individuals, **6:326**
Deductible gifts to, **16:95**
Financially disabled individual, trust for as recipient of a charitable remainder unitrust, **16:122**
Gift tax returns, filing requirements, **18:12**
GST tax, individual exemptions. See **Generation-Skipping Transfer Tax** (this index)
**Nonresidents Not Citizens** (this index)

**INFLATION**
Generation-skipping transfer tax, index for inflation, **19:28**

**INJUNCTIONS**
Assessment, **12:11**

**INSOLVENCY/ PRIORITY STATUTE**
Estate tax payment, **10:3**

**INSTALLMENT NOTES**
**Gross Estate Determinations** (this index)
**Self-Canceling Installment Notes** (this index)

**INSTALLMENT PAYMENTS OF ESTATE TAX ON FARM OR CLOSELY-HELD BUSINESS**
Generally, **10:32 et seq.**
Acceleration of installment payments, **10:44 et seq.**
Bright line rule requiring a bond or special lien for all Section 6166 elections to extend payment of estate tax, **10:65**
Declaratory judgments relating to eligibility, **12:90**
Deductibility of interest on installments, **10:74**
Deferred payments, interest on, **10:70 et seq.**
Discharge of executor from personal liability, **10:57**
Election, manner of, **10:64**
Elections
holding company election, **10:69**

**INSTALLMENT PAYMENTS OF ESTATE TAX ON FARM OR CLOSELY-HELD BUSINESS —Cont'd**
Elections—Cont'd
late election to pay estate tax in installments, **10:67**
protective elections, **10:68**
Section 6166 elections to extend payment of estate tax, **10:65, 10:66**
Eligibility, declaratory judgments relating to, **10:77, 10:78, 12:90**
Entity attribution rule, interest in closely-held business, **10:36**
Executor, required agreement for special lien to discharge, **10:58**
Extension of time for payment of installment, **10:52, 10:53**
Failure to distribute income, **10:51**
Failure to pay installment or interest by due date, **10:50**
Family attribution rule, interest in closely-held business, **10:35**
Farming business, **10:33**
Holding companies, **10:62, 10:63**
Holding company election, **10:69**
Interest on deficiency, **10:55**
Interest on installments, deductibility of, **10:74**
Interest on loan to pay deferred estate taxes allowed as administration expense, **10:75**
Interests in closely-held businesses
generally, **10:34 et seq.**
entity attribution rule, **10:36**
family attribution rule, **10:35**
more than 45 partners or shareholders, **10:37**
Keeping estate open to facilitate payment of estate tax, **10:79**
Late election to pay estate tax in installments, **10:67**
Liens, required agreement for special lien to discharge executor, **10:58**
Manner of election, **10:64**
Overpayments, refunds for, **10:76**
Passive assets, **10:60 et seq.**
Procedures, **10:64 et seq.**
Proration of deficiency where installment election made, **10:54**
Proration of deficiency where installment election not made, **10:56**
Protective elections, **10:68**
Qualifying real estate as trade or business for estate tax deferral, **10:40, 10:42**
Reasonable cause for extension of time for payment of installment, **10:53**

**INSTALLMENT PAYMENTS OF ESTATE TAX ON FARM OR CLOSELY-HELD BUSINESS —Cont'd**
Refunds for overpayment, **10:76**
Required agreement for special lien to discharge executor, **10:58**
Section 6166 elections to extend payment of estate tax, bright line rule requiring a bond or special lien for all, **10:65**
Security for special lien, **10:59**
Special lien, security for, **10:59**
Trade or business requirement, **10:39**
Two or more closely-held businesses, **10:38**

**INSTALLMENT SALES**
Contracts, gift valuation, **17:137**
Real property, fair market value, **3:58**

**INSURANCE**
Accidental death policy, right to change beneficiary under, gross estate determinations, **2:66**
Annuities. See **Gross Estate Determinations** (this index)
Beneficiary obligations, gross estate determinations, **2:36**
Death benefits insurance, gross estate determinations, **2:32**
Flight insurance, right to change beneficiary under, gross estate determinations, **2:66**
Gift tax exclusions, group insurance policies, **16:25**
**Gross Estate Determinations** (this index)
Insurer records of life insurance ownership, reputability, **2:41**
**Life Insurance** (this index)
Wrongful death proceeds, survivors' loss benefits under no-fault insurance, **2:96**

**INTENT**
**Congressional Intent** (this index)
Gifts, donative intent, **14:9 to 14:12**
Gift tax life insurance exclusions, intent facts vs policy facts, **16:28**
Marital deduction, death tax reductions intent of testator, **6:140**

**INTEREST ON MONEY**
Actuarial interest tables, **3:219**
Alternate valuation, interest bearing obligations, **4:14**
Bequest of income interest as qualifying transfers, taxable estate charitable deductions, **6:273 et seq.**
Collection of tax, **18:42**
gift tax, **18:42**

**INTEREST ON MONEY—Cont'd**
Deposits, suspension of interest liability on potential underpayments of estate tax, **10:89**
Estate freeze transfers, election to have interest treated as a qualified payment
generally, **17:37**
contents of election statements, **17:38**
**Fair Market Value** (this index)
**Family Limited Partnerships** (this index)
Gift tax on loans with below market interest rates, **14:48 et seq.**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
Joint bank accounts, disclaimers of interests as taxable transfers, **14:84**
**Payment of Tax** (this index)
Refund claims, **12:71**
Statutory interest paid on charitable bequest, deductibility, **6:30**

**INTERESTS IN BUSINESSES**
**Business Interests** (this index)

**INVOLUNTARY CONVERSION**
Definition, **5:117**
Special use valuation, recapture of estate tax, **5:93, 5:116**

**IRAs**
**Individual Retirement Accounts** (this index)

**IRREVOCABLE LIFE INSURANCE TRUSTS (ILITs)**
Generally, **2:51**
IRS guidance, **2:70**
Spouse as trustee
generally, **2:51**
IRS guidance, **2:70**

**JEOPARDY ASSESSMENTS**
Generally, **12:26 et seq.**
Abatement of assessments, **12:79**
Approvals, **12:28**
Bonds, **12:31**
Gift tax, **18:40**
Refund claims, **12:73**
Requirements for, **12:27**
Sales of property seized, **12:32**
Stays, **12:30**
Tax court decisions, **12:29**

**JEWELRY**
**Fair Market Value** (this index)

**JOINT BANK ACCOUNTS**
Gift tax
disclaimers of interests as taxable transfers, **14:84**
taxable transfers, **14:159**

**JOINTLY-HELD PROPERTY**
Disclaimers of interests as taxable transfers, **14:82**
Fair market value, **3:305**
Gift tax
disclaimers of interests, **14:82**
terminable interest rule
generally, **16:149**
noncitizen donee, **16:150**
**Gross Estate Determinations** (this index)
Market valuation discounts, **22:8, 22:9**
Mortgages and liens claims against estates, deductibility
generally, **6:86**
spousal property, **6:87**
Qualified domestic trusts, **6:229**

**LAND USE RESTRICTIONS**
Real property valuation, **3:72**

**LAST ILLNESS**
Taxable estate deductions
generally, **6:12**
community property states, **6:13**

**LEASES**
Alternate valuation, leased property, **4:16**
Closely-held businesses, leases to, special use valuation election requirements, **5:30**
Crop share leases, special use valuation election requirements, **5:40**
**Fair Market Value** (this index)
Gross estate determinations, lease-back residence transfers with retained life estates, **2:173**
Income capitalization valuation of realty, **3:89**
Long term leases, income capitalization valuation of realty, **3:89**
Special use valuation election requirements
closely-held businesses, leases to, **5:30**
crop share leases, **5:40**

**LEGAL FEES**
**Attorneys' Fees** (this index)

**LEGAL vs EQUITABLE TITLE**
Gross estate determinations of interests held at death, **2:7**

**LEVY OF PROPERTY**
Generally, **12:34 et seq.**

**LIEN RIGHTS AND OBLIGATIONS**
**Mortgages** (this index)
**Taxable Estate** (this index)

**LIENS, FEDERAL TAX**
Generally, **12:42 et seq.**
Application for discharge of estate tax lien, **12:51, 12:53**
Attachment to all property, **12:43**
Continuance after discharge of executor, **12:48**
Discharge of estate tax lien
generally, **12:50 et seq.**
application, **12:51, 12:53**
guidance for processing requests, **App. Q**
return filing status, **12:52**
Discharge of executor, continuance after, **12:48**
Disclaimers and federal tax liens, **14:67**
Dispositions by spouse, transferee, and others, **12:49**
Divestment of lien, **12:45**
Duration, **12:44**
Existence of general and special liens, **12:47**
General liens, tax collection, **12:46**
Gift tax liens, **18:37**
Installment payments of estate tax on farm or closely-held business
special liens, security for
generally, **10:59**
required agreement for discharge of executor, **10:58**
Return filing status, discharge of estate tax lien, **12:52**
10-year special liens, **12:42**
Transferred realty subject to estate tax lien, **12:39**

**LIFE ESTATES**
Accumulated income retention rights, transfers with retained life estates, **2:161**
Asset protection trust transfers with retained life estates, **2:170**
Estate freeze rules, transfers with retained life estates, **2:157**
**Fair Market Value** (this index)
Gift tax charitable deductions, **16:106**
Gift valuation, **17:145**
Grantor trust transfer with retained life estate, gross estate determinations, **2:169**
Gross estate determinations, life estates received from another person, **2:106, 2:107**
**Gross Estate Determinations** (this index)
Gross estate determinations of interests held at death, **2:5**

**LIFE ESTATES—Cont'd**
Income tax reimbursement to grantor, transfers with retained life estates, gross estate determinations, **2:169**
Lease-back residence transfers with retained life estates, gross estate determinations, **2:173**
Legal life estate plus power of appointment, gift tax marital deduction, **16:160**
Nonresidents not citizens, gross estate determinations, **8:22**
Powers of appointment distinguished, **2:233**
Rental real estate, partial interest retentions in transfers with retained life estates, **2:160**
Residence transfers with retained life estates, gross estate determinations, **2:171**
Rev. Rul. 2004-64, transfers with retained life estates, **2:169**
Revocable successor life-interest, gift tax charitable deductions, **16:106**
Self-settled trusts, transfers with retained life estates, gross estate determinations, **2:170**
Terminable interest rule for marital deductions, life estate with power of appointment, **6:167, 6:168**
Terminally ill transferors, valuing life interest gifts of, **3:227**
Transfers with retained life estates. **Gross Estate Determinations** (this index)
Valuation, gift tax, **17:145**

**LIFE INSURANCE**
Charitable deductions of rights gifts, **16:100, 16:101**
Community property, fair market value, **3:209**
Decedent's life, fair market value, **3:207**
Estate tax payment, reimbursement by life insurance beneficiaries, **10:15**
**Fair Market Value** (this index)
Gift tax
generally, **14:98**
community property purchase, **14:99**
exclusions
generally, **16:22 et seq.**
intent facts vs policy facts, **16:28**
valuation, **17:169 et seq.**
**Gross Estate Determinations** (this index)
Intent facts vs policy facts, gift tax exclusions, **16:28**
Key person discount, **22:18 et seq.**
Other person's life, fair market value, **3:208**
Qualified domestic trusts, **6:229**
Reimbursement by life insurance beneficiaries for estate tax payment, **10:15**

**LIFE INSURANCE—Cont'd**
Rights gifts charitable deductions, **16:100, 16:101**
Terminable interest rule for marital deductions, life insurance with power of appointment, **6:166**
Valuation
**Fair Market Value** (this index)
gift tax, **17:169 et seq.**

**LIKENESS**
Fair market value, **3:285**

**LIMITATION OF ACTIONS**
Collections, case study, **12:23**
Gift tax, computation of, **17:187**
Refund claims
generally, **12:63, 12:64**
expiration, **12:76**
Split gifts, **16:186**

**LIMITATION PERIODS**
**Assessment** (this index)
Foreign death taxes credit, **7:49**

**LIMITED LIABILITY COMPANIES (LLCs)**
Gross estate determinations, transfers with retained life estates, **2:152**
Lease of land to LLC as cause loss of estate tax deferral, closely-held business, **10:47**
Single-member LLC as disregarded for gift tax purposes, **21:16**
Theft loss, estate entitled to deduct theft loss incurred by LLC during settlement of estate, **6:96**

**LIMITED PARTNERSHIPS**
**Estate Freeze Transfers** (this index)
Fair market value, restricted shares and business interests, **3:171**
**Family Limited Partnerships** (this index)
Gift tax exclusions, limited partnerships gifts in trust, notice requirement, **16:33**
Indirect gifts to limited partners, market valuation discount, **21:10, 21:11**
Special use valuation, farmland limited partnership interests, **5:29**
Special valuation rules
generally, **17:14 et seq.**
**Estate Freeze Transfers** (this index)

**LITERARY ORGANIZATIONS**
Deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**

**LITIGATION CLAIMS**
Fair market value, **3:304**

**LOANS**
**Gift Tax** (this index)
Gross estate determinations, loans to pay life insurance premiums, **2:48**
Interest rates, gift tax on loans with below market interest rates, **14:48 et seq.**

**LOTTERY ANNUITY PAYMENTS**
Fair market value, **3:220**
IRS lottery rules, **3:242**

**MADOFF PONZI SCHEME**
Gross estate, identity of property to be valued, **2:14, 3:23**

**MANUSCRIPTS**
**Fair Market Value** (this index)

**MARITAL DEDUCTION**
Congressional intent, **16:137**
Estates. **Taxable Estate** (this index)
Gifts. **Gift Tax** (this index)
Terminable interest property. See **Qualified Terminable Interest Property** (this index)
Terminable interest rule
estate tax. **Taxable Estate** (this index)
gifts. **Gift Tax** (this index)

**MARITAL PROPERTY**
Active management of surviving spouse, special use valuation election requirements, **5:46**
**Community Property** (this index)
Decedent marital obligations. **Taxable Estate** (this index)
Deduction, marital. **Taxable Estate** (this index)
Dower and curtesy, gross estate determinations, **2:19**
Gift tax, insufficient consideration transfers, **14:41 et seq.**
Gross estate determinations
**Community Property** (this index)
dower and curtesy, **2:19**
life insurance proceeds payable to divorced spouse, **2:55, 2:56**
marital property and support rights relinquishments
generally, **2:131**
consideration issues, **2:132**
Insufficient consideration transfers, gift tax, **14:41 et seq.**
Jointly owned property, gross estate determinations. **Gross Estate Determinations** (this index)

**MARITAL PROPERTY—Cont'd**
Life insurance proceeds payable to divorced spouse, gross estate determinations, **2:55, 2:56**
Special use valuation elections
active management of surviving spouse, **5:46**
spousal survivorship provisions, **5:15**

**MARKET VALUATION DISCOUNTS**
Generally, **21:1 et seq.**
Actual vs hypothetical buyer, **21:4**
Additional discount for installment payments under FLP right to purchase interest, **22:4**
Aggregation, family, **21:5**
Artwork owned in co-tenancy, **22:10**
Asset ownership, dividing for discounting purposes, **22:31**
Assignee discounts, **22:34**
Blockage discount, **22:13 et seq.**
Built-in capital gains tax, **22:21 et seq.**
Built-in gains tax discount following conversion from C to S corporation, **22:28**
Burden of proof, shifting to IRS, **21:14**
Church case, **22:39**
Combining discounts with special use valuation, **5:28**
Condemnation awards and built-in capital gain, **22:29**
Control premium, **21:6**
Davis decision, **22:22**
Disclaimer, effect on value, **22:33**
Disclaimer, value determined after, **21:13**
Effect of disclaimer on value, **22:33**
Eisenberg decision, **22:23**
Estate freeze transfers, minority or similar discounts, **17:45**
Expert witnesses, **21:2**
Family aggregation, **21:5**
Family limited partnerships
failed FLPs, **22:50**
gifts of FLP Interests, **22:49**
IRS position on discounting, **22:44, 22:47**
liquidation restrictions discounts, **22:41**
transfer of interest, dollar amount or percentage, **22:51**
FLPs, transfers to, **21:11**
Fractional interest discount, **22:7**
Gifts
discount for present value of donees' obligation to pay contingent estate tax under Section 2035, **17:9**
tax returns, **18:28**
Gift tax returns, **18:28**

**MARKET VALUATION DISCOUNTS—Cont'd**
Hypothetical buyer test
generally, **21:3**
actual vs hypothetical buyer, **21:4**
Indirect gifts, step transaction doctrine and, **21:12**
Indirect gifts to limited partners, **21:10, 21:11**
Jointly owned interests, **22:8, 22:9**
Jones case, **22:43**
Key person discount, **22:18 et seq.**
Knight case, **22:42**
Lack of marketability discount, **22:2, 22:3**
Limited partners, indirect gifts, **21:10, 21:11**
Liquidation restrictions discount, **22:40 et seq.**
Local economic factors, discount based on, **22:11, 22:12**
Marching in lockstep, **21:9**
Market absorption discount
generally, **22:14**
real property valuation, **3:53**
Minority discount, **21:9**
Minority interest discount allowed in conjunction with special use valuation, **22:6**
Minority interest or lack of control discount, **22:5**
Minority or similar discounts, estate freeze transfers, **17:45**
Notes, evidentiary requirements, **3:195**
Present value of donees' obligation to pay contingent estate tax under Section 2035, **17:9**
Private debt, **22:35**
Property interest placed in QTIP trust, **22:32**
Real property valuation, market absorption discount, **3:53**
Restricted management accounts, **22:17**
Restricted securities discount, **22:16**
Restricted shares, **3:113**
Restrictive covenant discounts, **22:37**
Rights and restrictions disregarded for valuation purposes, **22:38, 22:39**
Rosen case, **22:48**
Section 2035(a), **22:48**
Section 2036(a)
generally, **22:45**
guidelines, **22:46**
Section 2703, **22:38**
Section 2704, liquidation restrictions discount, **22:40 et seq.**
Single-member LLC not disregarded for gift tax purposes, **21:16**
Special use valuation, combining discounts with, **5:28**
Step transaction doctrine and indirect gifts, **21:12**

**MARKET VALUATION DISCOUNTS—Cont'd**
Step transaction doctrine collapsing four gifts and sales into two gifts, **21:17**
Subchapter S corporations, **22:30**
Subsequent events reduce value of estate's charitable deduction, **21:18**
Swing vote valuation, **21:7, 21:8**
Three year look back rule, **22:48**
Transfers to FLP, **21:11**
Types of valuation discounts, **22:1**
US savings bonds, **3:309**
Value determined after disclaimer, **21:13**
Voting and nonvoting stock valued as unitary interest for estate tax purposes, **21:15**

**MARRIAGE**
**Community Property** (this index)
**Divorce** (this index)
**Matrimonial Property** (this index)
**Prenatal Agreements** (this index)
**Spouses** (this index)

**MEDIA INTERESTS**
Fair market value, **3:285**

**MEDICAL EXPENSES**
Gift tax, medical expenses exclusions, **16:9 et seq.**
Gift tax returns, payments not subject to gift tax, **18:7**

**MINORS**
**Children and Minors** (this index)

**MISSING PERSONS**
Filing estate tax returns for, **9:9, 9:10**

**MISSING PROPERTY**
Gross estate determinations of interests held at death, **2:4**

**MORTGAGES**
Facade easement with mortgage subordination requirement, gift tax deductions, **16:103**
Fair market value, **3:51, 3:76**
Federal National Mortgage Association mortgages, fair market value, **3:206**
Gift tax deductions, facade easement with mortgage subordination requirement, **16:103**
Gift valuation, **17:136**
Gross estate determinations
nonresidents not citizens, mortgaged real property, **8:25**
non-spousal joint tenancies, consideration for mortgaged property, **2:80**

**MORTGAGES—Cont'd**
Gross estate determinations—Cont'd
spousal joint tenancies, encumbered property, **2:87**
Jointly owned spousal property taxable estate deductions, mortgages and liens claims, **6:87**
Marital deduction, reduction by, **6:146**
Nonresidents not citizens, gross estate determinations, **8:25**
Non-spousal joint tenancies, consideration for mortgaged property, gross estate determinations, **2:80**
Reverse split-dollar arrangements, taxable estate mortgages and liens claims against estates, deductibility, **6:88**
Spousal joint tenancies, encumbered property, gross estate determinations, **2:87**
**Taxable Estate** (this index)
Valuation, gift, **17:136**

**MUTUAL FUND SHARES**
Fair market value
generally, **3:136**
dividends, **3:137**

**NATURAL RESOURCES INTERESTS**
**Fair Market Value** (this index)

**NATURE OF ESTATE TAX**
Generally, **1:2**

**NATURE OF GIFT TAX**
Generally, **13:1**

**NET GIFT DOCTRINE**
Gift valuation, **17:6 et seq.**

**NET TAXABLE ESTATE**
**Taxable Estate** (this index)

**NONRESIDENTS NOT CITIZENS**
Amount of charitable deduction, bequests to foreign charities, **6:301**
Art work on exhibit in US, gross estate determinations, **8:29**
Bank deposits, gross estate determinations, **8:48, 8:49**
Bonds, gross estate determinations, **8:42 et seq.**
Charitable deductions
estate tax, **8:54, 8:55**
gift tax, **16:87**
Citizenship
expatriation to avoid tax under prior law, **8:5**
status issues, **8:12**

**NONRESIDENTS NOT CITIZENS—Cont'd**
Collection of tax
generally, **12:92**
gift tax, **18:48**
transfer certificates, **12:93 et seq.**
Community property, gross estate determinations, **8:36, 8:37**
Computation of tax, estate tax, **8:2**
Corporate stock, gross estate determinations, **8:38 et seq.**
Corporations, gross estate determinations as to US assets owned through foreign corporation
by former US citizen, **8:31 et seq.**
by nonresident alien, **8:30**
Credits
generally, **8:60 et seq.**
gifts by, taxable, **15:10**
unified credits
generally, **8:60 et seq.**
citizens of US possessions, **8:3**
Debt deductions, estate tax, **8:57**
Debt obligations, gross estate determinations, **8:42 et seq.**
Deductions
charitable deduction, **8:54**
disclosure of foreign assets and debts requirements, estate tax, **8:56 et seq.**
estate tax, **8:57**
Estate tax, below
gifts by, taxable, **15:10**
Deposits, gross estate determinations, **8:48, 8:49**
Disclaimer of trust income interests, gift and GST tax consequences
generally, **15:2**
exclusion issues, **16:78**
Disclosure of foreign assets and debts requirements, estate tax deductions, **8:56 et seq.**
Domicile issues, estate tax, **8:13 et seq.**
Engaged in business in US status, estate tax, **8:50**
Equitable interests, gross estate determinations, **8:47**
Estate tax
generally, **8:1 et seq.**
art work on exhibit in US, **8:29**
bank deposits, **8:48, 8:49**
bonds, **8:42 et seq.**
charitable deduction, **8:55**
citizenship status issues, **8:12**
community property, **8:36, 8:37**
computation of tax, **8:2**
corporate stock, **8:38 et seq.**

**NONRESIDENTS NOT CITIZENS—Cont'd**
Estate tax—Cont'd
credits
generally, **8:61 et seq.**
expatriation tax, unified credit under, **8:63**
Form 706-NA, **8:65**
treaties, **8:62**
unified credit for citizens of US possessions, **8:3**
US citizens residing in US possessions, **8:61**
debt deduction, **8:57**
debt obligations, **8:42 et seq.**
deductions
generally, **8:52 et seq.**
charitable deduction, **8:54, 8:55**
debt deduction, **8:57**
disclosure of foreign assets and debts requirements, **8:56 et seq.**
marital deduction, **8:53, 8:57**
deposits, **8:48, 8:49**
domicile issues, **8:13 et seq.**
engaged in business in US status, **8:50**
equitable interests, **8:47**
expatriate's foreign stock, **8:8**
expatriation estate tax rules effective for those who expatriate after June 3, 2004, and before June 17, 2008, **8:6**
expatriation on or after June 17, 2008, **8:7**
expatriation tax, unified credit under, **8:63**
expatriation to avoid tax under prior law, **8:5**
foreign stock of expatriate, **8:8**
form, reporting requirements, **8:9**
Form 706-NA, **8:65**
G-4 visa holders, **8:18**
Gross estate determinations, below
imposition of prior tax rate, **8:10**
income tax vs estate tax, **8:17**
life estate property, **8:22**
life insurance, **8:51**
lifetime transfers, **8:4**
lifetime transfers of US property, **8:23**
marital deduction, **8:53, 8:57**
nonresident alien engaged in business in US, **8:50**
partnership interests, **8:41**
Puerto Rico residents, **8:19**
rates, tax, **8:10**
reporting requirements, form, **8:9**
residence status issues, **8:13 et seq.**
tangible personal property, **8:26 et seq.**

**NONRESIDENTS NOT CITIZENS—Cont'd**
Estate tax—Cont'd
treaties
generally, **8:11**
credits, **8:62**
unified credit for citizens of US possessions, **8:3**
US assets held by foreign corporation but beneficially owned by nonresident alien, nonresidents not citizens, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
US citizens residing in US possessions
generally, **8:20**
credits, **8:61**
US property, gross estate limited to, **8:21**
US property of nonresidents not citizens, **8:21**
Virgin Island residents, **8:19**
visa condition prohibiting domicile, **8:16**
Exclusions, gifts by
generally, **15:10**
transfers to citizen spouse, **15:12**
**Expatriates** (this index)
Foreign charities, bequests to, **6:301**
Foreign stock transfers, taxable gifts by, **15:8**
Forms
credits, estate tax, **8:65**
estate tax reporting requirements, **8:9**
Generation-skipping transfer tax
generally, **19:60 et seq.**
1995 legislation, **19:62**
Gift tax
generally, **15:1 et seq.**
charitable deductions, **16:87**
collection of tax, **18:48**
credits, **15:10**
deductions
generally, **15:10**
charities, **16:87**
disclaimers of interests as taxable transfers
generally, **15:2**
exclusion issues, **16:78**
exclusions
generally, **15:10**
disclaimers of interests as taxable transfers, **16:78**
transfers to citizen spouse, **15:12**
expatriates
definition, **15:4**
location of property of, **15:6**

**NONRESIDENTS NOT CITIZENS—Cont'd**
Gift tax—Cont'd
expatriates—Cont'd
2004 Jobs Act, **15:7**
2008 legislation, **15:9**
foreign stock transfers, **15:8**
gross estate determinations, gift tax paid by noncitizen nonresident not included in gross estate, **8:34**
jointly-held property, terminable interest rule, noncitizen donee, **16:150**
location of property
generally, **15:5**
expatriates' property, **15:6**
nonresident alien, term defined, **15:3**
paid but not included in gross estate, **8:34**
resident, term defined, **14:14**
returns, filing requirements, **18:17**
splitting of gifts, **15:11**
spouses, splitting of gifts by, **15:11**
transfer of foreign stock, **15:8**
Gross estate determinations
generally, **8:21 et seq.**
art work on exhibit in US, **8:29**
bank deposits, **8:48, 8:49**
bonds, **8:42 et seq.**
community property, **8:36, 8:37**
corporate stock, **8:38 et seq.**
corporations
US assets held by foreign corporation but beneficially owned by nonresident alien, nonresidents not citizens, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
debt obligations, **8:42 et seq.**
deposits, **8:48, 8:49**
equitable interests, **8:47**
gift tax paid but not included in gross estate, **8:34**
gross estate limited to US property, **8:21**
life estate property, **8:22**
life estates, **8:22**
life insurance, **8:51**
lifetime transfers of US property, **8:23**
mortgaged real property, **8:25**
partnership interests, **8:41**
real property, **8:24**
tangible personal property, **8:26 et seq.**
US assets held by foreign corporation but beneficially owned by nonresident alien, **8:35**

**NONRESIDENTS NOT CITIZENS—Cont'd**
Gross estate determinations—Cont'd
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
US property, gross estate limited to, **8:21**
US property of nonresidents not citizens, **8:21**
GST tax
generally, **19:60 et seq.**
disclaimer of trust income interests
generally, **15:2**
exclusion issues, **16:78**
1995 legislation, **19:62**
Income tax vs estate tax, **8:17**
Jointly-held property, terminable interest rule, gift tax, noncitizen donee, **16:150**
Life estates, **8:22**
Life insurance, **8:51**
Lifetime transfers of US property, **8:23**
Marital deduction, estate tax, **8:57**
Mortgaged real property, **8:25**
1995 legislation, generation-skipping transfer tax, **19:62**
Nonresident alien, term defined, **15:3**
Nonresident alien engaged in business in US, estate tax, **8:50**
Partnership interests, **8:41**
Partnerships, **8:41**
Puerto Rico residents, estate tax, **8:19**
Rates, tax, **8:10**
Real property, **8:24**
Residence status, **8:13 et seq.**
Resident, term defined, **14:14**
Securities, stocks, and bonds
estate tax, foreign stock of expatriate, **8:8**
foreign stock transfers, **15:8**
gifts, taxable, **15:8**
gross estate determinations, **8:38 et seq.**
Split gifts, **15:11**
Splitting of gifts by spouses, **15:11**
Tangible personal property, **8:26 et seq.**
Taxable estate
charitable deduction, **8:54, 8:55**
debt deduction, **8:57**
marital deduction, **8:53, 8:57**
Terminable interest rule, noncitizen donee, jointly-held property, **16:150**
Transfer certificates, collections, **12:93 et seq.**
Transfer of foreign stock, gifts by, **15:8**
Treaties, estate tax credits, **8:62**

**NONRESIDENTS NOT CITIZENS—Cont'd**
2004 legislation, expatriates, **15:7**
2008 legislation, expatriates, **15:9**
US assets held by foreign corporation but beneficially owned by nonresident alien, **8:35**
US assets owned through foreign corporation by former US citizen, **8:31 et seq.**
US assets owned through foreign corporation by nonresident alien, **8:30**
US property, gross estate limited to, **8:21**
Virgin Island residents, estate tax, **8:19**

**NOTES**
Collectibility issues, fair market value, **3:198, 3:200**
Defenses to collection, fair market value, **3:200**
**Fair Market Value** (this index)
Gift tax, self cancelling installment notes, **14:52**
Gift valuation, **17:144**
**Gross Estate Determinations** (this index)
Installment notes, self cancelling gift tax, **14:52**
Installment obligation notes, fair market value, **3:197**
Secured notes, **3:199**
**Self-Canceling Installment Notes** (this index)
Valuation
**Fair Market Value** (this index)
gifts, **17:144**

**NOTICE**
Deficiencies notice
generally, **12:6**
assessment, invalid, effect on deficiency notice, **12:7**
Fiduciary relationship, notice of
Form 56, **11:6**
gift tax collection, **18:44**
settlements of estate tax disputes, **11:2 et seq.**
Foreign persons, notice of large gifts received from, **15:13**
Gift tax collection, notice of fiduciary relationship, **18:44**
Gift tax exclusions notice requirement. See **Gift Tax** (this index)
Large gifts received from foreign persons, notice requirements, **15:13**
Settlements of estate tax disputes, notice of fiduciary relationship, **11:2 et seq.**

**OIL AND GAS ACTIVITIES**
Special use valuation, recapture of estate tax, **5:96**

**OWNERSHIP**
Fiduciary capacity, ownership held in. See **Gross Estate Determinations** (this index)
Market valuation discounts, dividing asset ownership for discounting purposes, **22:31**
Special use valuation elections, pre-death ownership and use
generally, **5:32**
materiality of participation, **5:35 et seq.**
tacking, **5:34**

**PALIMONY OBLIGATIONS**
**Taxable Estate** (this index)

**PARTNERSHIPS**
Control, estate freeze transfers, **17:31**
**Estate Freeze Transfers** (this index)
Fair market value of interests
generally, **3:142**
restricted shares and business interests, **3:175**
**Family Limited Partnerships** (this index)
General partner of limited partnership, right to designate enjoyment of transferred property, **2:187**
Gift tax returns, filing requirements, **18:13**
Going concern valuation, **3:143**
Gross estate determinations
general partner of limited partnership, right to designate enjoyment of transferred property, **2:187**
nonresidents not citizens, **8:41**
Planning a freeze partnership, **17:30**
Special use valuation election requirements, **5:27, 5:42**
Special valuation rules
generally, **17:14 et seq.**
**Estate Freeze Transfers** (this index)

**PART-TIME ACTIVITIES**
Special use valuation, election requirements, **5:38 et seq.**

**PAYMENT OF TAX**
Appointees, reimbursement for estate tax payment
generally, **10:16**
surviving spouses, **10:17**
**Collection of Tax** (this index)
**Criminal Penalties** (this index)
Death-bed transfers, payment of estate and gift taxes within three-year period, **14:34**
Deficiencies, extension of time for estate tax payment, **10:28**
Delinquencies in estate tax payments
generally, **10:80 et seq.**

**PAYMENT OF TAX—Cont'd**
Delinquencies in estate tax payments—Cont'd
assessment after closing letter, **10:86**
closing letter, assessment after, **10:86**
equitable estoppel doctrine, **10:84**
estate liabilities, **10:83, 10:84**
expert, reliance on may be reasonable cause for failure to pay, **10:82**
penalties, **10:81**
September 11 terrorist attack, relief for estates affected, **10:85**
substantial compliance doctrine, **10:83**
Denial of extension of time for estate tax payment, **10:30**
Deposits to suspend interest on potential underpayments of estate tax
generally, **10:87 et seq.**
disputed taxes, **10:89**
procedure, **10:88**
Early discharge from estate tax personal liability
executors, **10:20**
fiduciaries, **10:21**
Equitable estoppel doctrine, estate tax payments, **10:84**
Estate beneficiaries liability for unpaid estate tax if time for issuing an assessment has expired, **10:26**
Estate tax
generally, **10:1 et seq., 14:154**
assessment after closing letter, **10:86**
closing letter, assessment after, **10:86**
deficiencies, extension of time for estate tax payment, **10:28**
Delinquencies in estate tax payments, above
denial of extension of time for, **10:30**
Deposits to suspend interest on potential underpayments of estate tax, above
early discharge from personal liability
executors, **10:20**
fiduciaries, **10:21**
equitable estoppel doctrine, **10:84**
estate beneficiaries liability unpaid estate tax if time for issuing an assessment has expired, **10:26**
estate liabilities for delinquencies in, **10:83, 10:84**
Extension of time for payment, below
fiduciaries, early discharge from personal liability, **10:21**
flower bonds, payment with, **10:24**
form of application for extension of time to pay, **10:29**

**PAYMENT OF TAX—Cont'd**
Estate tax—Cont'd
insolvency/ priority statute, **10:3**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
keeping estate open to facilitate payment, installment payments of estate tax on farm or closely-held business, **10:79**
liability for payment, **10:1 et seq.**
life insurance beneficiaries, reimbursement for estate tax payment, **10:15**
manner of payment, **10:23**
offers of partial payment, settlements of estate tax disputes, **11:38**
offset of estate tax by beneficiary's overpaid income tax, **10:13**
passive assets, installment payments on farm or closely-held business, **10:60 et seq.**
penalties for delinquencies, **10:81**
personal liability, **10:2 et seq.**
place for payment, **10:22**
qualified domestic trusts, when estate tax must be paid, **7:58**
reasonable cause for extension of time for, **10:27**
Reimbursement for estate tax payment, below
September 11 terrorist attack, relief for estates affected, **10:85**
stock redemption under Section 303, **10:90, 10:91**
substantial compliance doctrine, **10:83, 10:84**
taxable gifts, **10:7**
terminable interest rule for marital deductions, **6:207**
time for payment, **10:22**
transferees' liability, **10:8 et seq.**
withholding of collection, **11:39**
Executors, estate tax payment
generally, **10:1 et seq.**
early discharge from personal liability, **10:20**
Expert, reliance on may be reasonable cause for failure to pay, **10:82**
Extension of time for payment
estate tax
generally, **10:25**
application for extension of time to pay; form, **10:29**
deficiencies, **10:28**
denial, **10:30**
estate beneficiaries liability unpaid estate tax if time for issuing an assessment has expired, **10:26**

**PAYMENT OF TAX—Cont'd**
Extension of time for payment—Cont'd
estate tax—Cont'd
form of application for extension of time to pay, **10:29**
reasonable cause, **10:27**
reversion or remainder interests, **10:31**
gift tax, **18:32**
Flower bonds, estate tax payment with, **10:24**
Form of application for extension of time to pay estate tax, **10:29**
Gift tax
generally, **18:1 et seq., 18:31 et seq.**
extension of time to pay, **18:32**
Form 8892, **18:33**
remedies, collection of unpaid tax, **18:36**
time for paying tax, **18:19**
GST tax, **19:111**
Insolvency/ priority statute, estate tax payment obligations, **10:3**
**Installment Payments of Estate Tax on Farm or Closely-held Business** (this index)
**Jeopardy Assessments** (this index)
Life insurance beneficiaries, reimbursement for estate tax payment, **10:15**
Manner of payment, **10:23, 10:24**
Offset of estate tax by beneficiary's overpaid income tax, **10:13**
Overpayment, term defined, **12:60**
Passive assets, installment payments of estate tax on farm or closely-held business, **10:60 et seq.**
Personal liability, **10:2 et seq.**
Place for payment, **10:22**
Qualified domestic trust estate tax, when estate tax must be paid, **7:58**
Qualified terminable interest property recipient, reimbursement for estate tax payment
generally, **10:18**
tax trap guidance, **10:19**
Reasonable cause for extension of time for estate tax payment, **10:27**
Refund claims, payment of tax as requirement for actions, **20:3**
**Refund Claims** (this index)
Reimbursement for estate tax payment
generally, **10:14 et seq.**
appointees
generally, **10:16**
surviving spouses, **10:17**
life insurance beneficiaries, **10:15**
qualified terminable interest property recipient
generally, **10:18**

**PAYMENT OF TAX—Cont'd**
Reimbursement for estate tax payment—Cont'd
qualified terminable interest property recipient—Cont'd
tax trap guidance, **10:19**
surviving spouses, **10:17**
Remedies for collection of unpaid taxes. See **Collection of Tax** (this index)
Reversion or remainder interests, extension of time for estate tax payment, **10:31**
Spouse's income tax, payment as gift taxable transfer, **14:153**
Stock redemption under Section 303, estate tax payment, **10:90, 10:91**
Substantial compliance doctrine, estate tax payments, **10:83**
Suits, collection. See **Collection of tax** (this index)
Surviving spouses, reimbursement for estate tax payment, **10:17**
Taxable gifts, estate tax payment, **10:7**
**Taxpayers' Remedies** (this index)
Time for payment
estate tax, **10:22**
gift tax, **18:19**
Transferees' liability for estate tax payment, **10:8 et seq.**

**PENALTIES**
Collection of tax, **18:42**
**Criminal Penalties** (this index)
Delinquency penalty
estate tax, **10:81**
gift tax, **18:25**
Estate tax
delinquency penalties, **10:81**
late filing, **9:31 to 9:33**
Gift tax
generally, **18:42**
delinquency penalties, **18:25**
tax return preparer penalties, **18:49**
Late filing, estate tax, **9:31 to 9:33**
Tax return preparers
generally, **12:96**
gift tax, **18:49**
Underpayments, imposition of accuracy-related penalty on, **4:10**

**PENSIONS**
Additional estate tax imposed on excess retirement accumulation of estates of decedents dying on or before December 31, 1996, **7:51**
**Gross Estate Determinations** (this index)

**PERSONAL EFFECTS**
**Fair Market Value** (this index)
Gross estate determinations, **2:91**

**PERSONAL RESIDENCES**
**Residences** (this index)

**POLITICAL ORGANIZATIONS**
Gift tax, **14:156**
Gift tax returns, transfers not subject to gift tax, **18:6**

**PORTABILITY**
Estate tax, **7:10, 7:12, 7:13**
Gift tax, **17:191**

**POWERS OF APPOINTMENT**
Adverse interests, joint powers, **2:265**
Ambiguous power of appointment, beneficiary's, **2:259**
Ascertainable standard, powers limited by
gift tax, **14:128**
right to designate enjoyment of transferred property, gross estate determinations, **2:191 et seq.**
Beneficiary's withdrawal rights, limiting, general power of appointment, **14:135**
Conditions or contingencies, powers subject to. **Gross Estate Determinations** (this index)
Corporate co-trustee, replacement of, **14:134**
Creation subject to gift tax. **Gift Tax** (this index)
Definitions
estate tax regulations, **2:228**
general power, **2:237**
gift tax regulations, **14:124**
nongeneral power, **2:245**
powers limited by an ascertainable standard, **2:191**
Disclaimers, powers subject to conditions or contingencies, gross estate determinations, **2:276**
Disclaimers of interests as taxable transfers, **14:81**
Donee's death before completion of administration of donor's estate, gross estate determinations, **2:270**
Donee's death before probate of donor's will, gross estate determinations, **2:269**
Economic reasons, power to terminate trust for, **2:232**
Exercises subject to gift tax. **Gift Tax** (this index)
Five and five powers, gift tax, **14:148**
General powers
generally, **2:237 et seq.**

**POWERS OF APPOINTMENT—Cont'd**
General powers—Cont'd
beneficiary's withdrawal rights, limiting, general power of appointment, **14:135**
disposition to heirs at law, gross estate determinations, **2:239**
gift tax, **14:126, 14:135, 14:136**
**Gross Estate Determinations** (this index)
portion of property, power over, gross estate determinations, **2:243**
state law determinations, general vs limited powers, **14:136**
Generation-skipping transfers
generally, **14:131**
releases of powers, **19:88 et seq.**
**Gift Tax** (this index)
Grantor's power of substitution over trust's assets, gross estate determinations, **2:257**
**Gross Estate Determinations** (this index)
GST tax transferors, **19:18**
Guidelines, substitution general powers of appointment, gross estate determinations, **2:244**
Heirs at law, general powers of appointment disposition to, gross estate determinations, **2:239**
Imputation of trustee's powers to beneficiary, gross estate determinations, **2:258**
Incompetent donees, gross estate determinations, **2:271**
Inter vivos instrument, power created by, gross estate determinations, **2:236**
IRAs, limited power of appointment over subtrust as precluding inclusion in the beneficiary's gross estate, **2:119**
Joint powers of appointment
**Gross Estate Determinations** (this index)
release to close a class of beneficiary, gift tax, **14:129**
Lapse, gross estate determinations
generally, **2:267**
conditional powers
generally, **2:274**
valuation, **2:275**
Legal life estate plus power of appointment, gift tax marital deduction, **16:160**
Life estates distinguished, **2:233**
Limited powers, gift tax
generally, **14:128**
state law determinations, general vs limited powers, **14:136**
Management powers, term defined, **14:125**
Matrimonial agreement exercises, gift tax, **14:144**
Minor donee, gross estate determinations, **2:271**

**POWERS OF APPOINTMENT—Cont'd**
Necessary for welfare language, gross estate determinations, **2:241**
1942 legislation
exercises of powers, **14:145 et seq.**
gross estate determinations, **2:234, 2:266, 2:277 et seq.**
joint powers, **2:263, 2:264, 14:138 et seq.**
Nongeneral powers. **Gross Estate Determinations** (this index)
Parents' issue, testamentary power to appoint among, gross estate determinations, **2:240**
Portion of property, general power of appointment over, gross estate determinations, **2:243**
Preserving spouse's credit shelter with a power of appointment, **14:37**
Reduction in number of trustees, gift tax, **14:133**
Release of joint power to close a class of beneficiary, gift tax, **14:129**
Releases of, generation-skipping transfer tax, **19:88 et seq.**
Replacement of corporate co-trustee, gift tax, **14:134**
Scrivener's error issues, gross estate determinations, **2:251**
Second power, nongeneral power exercised to create, gross estate determinations, **2:273**
Self-appointment, gross estate determinations, **2:260 et seq.**
Skip trusts, testamentary power over, GST tax, **19:115**
Special powers, gift tax, **14:130**
Spendthrift clauses in powers of appointment, gross estate determinations, **2:252**
State law applicability, gross estate determinations
generally, **2:249, 2:250**
self-appointment, **2:260 et seq.**
Substantial adverse interests, joint powers, gross estate determinations, **2:265**
Substitution power guidelines, gross estate determinations, **2:244**
Summary of gross estate determination rules, **2:281**
Terminable interest rule for marital deductions
permitted restrictions on power of appointment, **6:180**
power of appointment, life estate with, **6:167, 6:168**
power of appointment, life insurance or annuity with, **6:166**
power of appointment exercisable in all events, **6:178**
power of appointment in third party, **6:181**

**POWERS OF APPOINTMENT—Cont'd**
Terminable interest rule for marital deductions —Cont'd
powers to sell, use, encumber, terminate, **6:182**
power to invade as restriction on power of appointment, **6:183**
Terminate trust for economic reasons, power to, gift tax, **14:137**
Testamentary power over skip trusts, GST tax, **19:115**
Testamentary power to appoint among parents' issue, gross estate determinations, **2:240**
Time of creation of power, gift tax, **14:142**
Trust distribution committees under scrutiny by IRS, **2:231**
Trustee removal power, gross estate determinations, **2:255**
Trustee replacement powers, gross estate determinations, **2:253, 2:254**
Trustee replacement with remainder person, gross estate determinations, **2:254**
Trustees, reduction in number of, gift tax, **14:133**
Trustee's discretion subject to ascertainable standard, gross estate determinations, **2:256**
Wills, powers created by, gross estate determinations, **2:235**
Withdrawal power, inclusion in gross estate of property subject to, gross estate determinations, **2:268**

**POWERS OF ATTORNEY**
Gift tax, authority to make taxable transfers, **14:38**
Refund claims, **12:67**
Settlements of estate tax disputes, **11:7, 11:8**
Signing offer in compromise under, **11:42**

**PRENATAL AGREEMENTS**
Powers of appointment exercise, gift tax, **14:144**

**PREPARERS**
**Tax Return Preparers** (this index)

**PRESUMPTION OF DEATH**
Filing estate tax returns, **9:10**

**PRIVILEGED COMMUNICATIONS**
Rights of taxpayers, **12:91**

**PROMISES**
Gift, promise to make, **14:27**

**PROMISSORY NOTES**
**Notes** (this index)

**PROOF**
**Evidence and Proof** (this index)

**PROTESTS**
**Settlements of Tax Disputes** (this index)

**PUBLIC USE CONTRIBUTIONS**
Estate tax deductions, **6:232 et seq.**

**PUERTO RICO RESIDENTS**
Nonresidents not citizens estate tax, **8:19**

**PURPOSES**
Charities, purpose or use requirements, taxable estate charitable deductions, **6:241**
Farming purposes, term defined, **5:21**
Restrictions on shares and business interests, testamentary purpose, **3:178**
Special use valuation, Congressional purpose, **5:17**

**QFOBI**
**Family Businesses** (this index)

**QUALIFIED DOMESTIC TRUSTS (QDOTs)**
Generally, **6:217 et seq.**
Availability of estate tax benefits, **7:62**
Citizenship grants to surviving spouses
estate taxation, **7:63**
procedure, **6:231**
Effect of creation, **6:221**
Elections
generally, **6:218**
extension of time for, **6:220**
Estate tax
generally, **7:52 et seq.**
availability of estate tax benefits, **7:62**
computation, **7:53, 7:59**
effect of surviving spouse becoming US citizen, **7:63**
exemption for hardship distributions, **7:54**
exemption for miscellaneous distributions and dispositions, **7:55**
exemptions, income distributions, **7:53**
hardship distribution exemptions, **7:54**
income distributions exemptions, **7:53**
miscellaneous distributions and dispositions exemptions, **7:55**
multiple QDOTs, **7:61**
payment of distribution tax out of QDOT, **7:56**
security for payment of tax out of QDOT, **7:57**
tentative tax where decedent's estate tax not finally determined, **7:60**
when estate tax must be paid, **7:58**
Exemption for hardship distributions, **7:54**
Exemption for income distributions, **7:53**
Exemption for miscellaneous distributions and dispositions, **7:55**

**QUALIFIED DOMESTIC TRUSTS (QDOTs) —Cont'd**
Extension of time for election, **6:220**
Extension of time for property transfers, **6:219**
Form 706, trustee's statement, **6:224**
Form 706-QDT, trustee's annual statement, **6:225**
Form for QDOT tax return, **6:230**
Hardship distribution exemptions, **7:54**
Income distributions exemptions, **7:53**
IRA distributions to noncitizen spouse for the marital deduction, **6:227 et seq.**
Jointly owned property, **6:229**
Life insurance, **6:229**
Miscellaneous distributions and dispositions exemptions, **7:55**
Multiple QDOTs, **7:61**
Payment of distribution tax out of QDOT, **7:56**
Reformation of trust to qualify as a QDOT, **6:226**
Residence exclusion, statement with respect to, **6:223**
Security provisions
generally, **6:222**
payment of tax out of QDOT, **7:57**
Statement with respect to residence exclusion, **6:223**
Tentative estate tax where decedent's estate tax not finally determined, **7:60**
Trustee's annual statement with Form 706-QDT, **6:225**
Trustee's statement on Form 706, **6:224**
When estate tax must be paid, **7:58**

**QUALIFIED PERSONAL RESIDENCE TRUSTS (QPRTs)**
Generally, **17:105 et seq.**
Annuities conversions, **17:116, 17:117**
Assets included in QPRT trusts, **17:114**
Estate freeze transfers
generally, **17:105 et seq.**
assets included in QPRT trusts, **17:114**
facts and circumstances test, **17:106**
form, **17:107**
fractional interest funding, **17:108**
payment of fair market rental after QPRT term, **17:112**
planning, **17:109**
residing in residence after expiration of term, **17:111**
reverse QPRTs, **17:113**
valuation, **17:103**
valuing QPRT contingent remainder, **17:110**
Events effecting qualification, **17:115**

**QUALIFIED PERSONAL RESIDENCE TRUSTS (QPRTs)—Cont'd**
Facts and circumstances test, **17:106**
Forms, **17:107, App. J**
Fractional interest funding, **17:108**
Gross estate determinations, transfers with retained life estates, **2:175**
Improper termination, exceptions, **17:119 et seq.**
Limitation on term interests in personal residence trusts and qualified personal residence trusts, **17:118**
Payment of fair market rental after QPRT term, **17:112**
Planning, **17:109**
Qualification impairment, **17:115**
Remainder interest sales, **17:126**
Residing in residence after expiration of term, **17:111**
Reverse QPRTs, **17:113**
Term interests and joint purchases, **17:125**
Transfers with retained life estates, gross estate determinations, **2:175**
Valuing contingent remainder, **17:110**

**QUALIFIED TERMINABLE INTEREST PROPERTY (QTIP)**
Administration expenses, deductibility, **6:42**
Annuities, joint and survivor annuities, **16:173**
Computation of estate tax, equitable recoupment, improper inclusion of QTIP, **7:5**
Contingent QTIP election, **6:205**
Deductibility, administration expenses, **6:42**
Definition, **16:166**
Delayed income distribution not a disposition of spouse's QTIP income interest, **6:190**
Disability clause, terminable interest rule for marital deductions, **6:173**
Elections
GST tax relationship, **19:17**
partial QTIP elections, **6:206, 16:170**
QTIP treatment for IRAs, **6:215**
time to make election, **16:171**
Funding date, terminable interest rule for marital deductions, **6:189**
**Gift Tax** (this index)
Gross estate determinations
generally, **2:116**
interests held at death, unfunded QTIP and family trusts, **2:13**
reimbursed gift tax on deemed transfer of QTIP, **2:148**

**QUALIFIED TERMINABLE INTEREST PROPERTY (QTIP)—Cont'd**
Improper inclusion, computation of estate tax, equitable recoupment, **7:5**
IRAs, electing QTIP treatment for IRA, **6:215**
IRAs. qualifying for QTIP treatment, **6:214**
Joint and survivor annuities, **16:173**
Lifetime annuity interest, **16:172**
Lifetime disposition by donee spouse of income interest, **16:174, 16:175**
Marital deduction, terminable interest rule for, generally, **6:188 et seq.**
Option granted to third party to purchase QTIP property at a bargain price, terminable interest rule for marital deductions, **6:179**
Partial QTIP election, **6:206, 16:170**
QTIP elections, generally, **6:199 et seq.**
QTIP savings clause, **6:195**
Qualifying income interest, **6:191 et seq.**
Qualifying income interest, terminable interest rule for marital deductions, **6:191 et seq.**
Recipient reimbursement for estate tax payment
generally, **10:18**
tax trap guidance, **10:19**
Reimbursed gift tax on deemed transfer of QTIP, gross estate determinations, **2:148**
Reverse QTIP elections. See **Generation-Skipping Transfer Tax** (this index)
Savings clause, **6:195**
Specific interests, **16:169**
Taxable estates, marital deduction disclaimers, **6:124**
Tax trap guidance, reimbursement for estate tax payment, **10:19**
Total return trusts, **16:168**
Trusts
correction of over-funded trusts, **6:150**
disclaimers of interests as taxable transfers, **14:76 et seq.**
discounting when property interest placed in, **22:32**
**Gift Tax** (this index)
improper withdrawal of assets, **14:116**
reimbursed gift tax on deemed transfer of QTIP, gross estate determinations, **6:42**
remainder interest transfers, gift tax
charities, transfers to, **14:20**
spouses, **14:19**
taxable estates
claims deductibility, **6:92**
correction of over-funded trusts, **6:150**
total return trusts, **16:168**

**QUALIFIED TERMINABLE INTEREST PROPERTY (QTIP)—Cont'd**
Unnecessary QTIP elections, **6:210 to 6:213**

**RANCH PROPERTY**
**Fair Market Value** (this index)

**RATES, TAX**
**Credits, Tax** (this index)
Estate tax
generally, **7:6**
applicable exclusion and applicable credit amounts
generally, **7:9**
2001 and later deaths, **7:10**
nonresidents not citizens, imposition of prior tax rate, **8:10**
2001 and later deaths, applicable exclusion and applicable credit amounts, **7:10**
2001 through 2012 deaths, **7:7**
2010 deaths, **7:8**
2013 and later deaths, **7:6**
unified credit, **7:9 et seq.**
Gift tax schedules, **17:190**
GST tax
generally, **19:99**
individual exemptions, **19:27**
Nonresidents not citizens estate tax, imposition of prior tax rate, **8:10**

**REAL PROPERTY**
Closely-held business, qualifying real estate as trade or business for estate tax deferral, **10:40, 10:42**
Facade easement with mortgage subordination requirement, gift tax deductions, **16:103**
**Fair Market Value** (this index)
Gift tax deductions, facade easement with mortgage subordination requirement, **16:103**
Gift valuation, **17:135 et seq.**
**Gross Estate Determinations** (this index)
Valuation
generally, **3:34 et seq.**
book value, **3:49**
**Fair Market Value** (this index)
fractional interests, **3:54 et seq.**
gift valuation, **17:135 et seq.**

**RECAPTURE OF ESTATE TAX**
Family-owned business estate tax deductions, **6:315 et seq.**
**Special Use Valuation** (this index)

**RECORDKEEPING REQUIREMENTS**
Filing estate tax returns, **9:11**

**RECOUPMENT, EQUITABLE**
Estate tax computation
generally, **7:4**
QTIP, improper inclusion, **7:5**

**REFORMATION OF CHARITABLE SPLIT INTERESTS**
Generally, **6:281 et seq., 16:134**
Amount of charitable deduction, **6:294**
Case study, **6:287**
Charitable trust with individual remaindermen, **6:288**
Death of income beneficiary, special rule where, **6:284**
Defective CRUT operated as a CRUT, **6:286**
Definitions
qualified reformation, **6:282**
reformable interest, **6:283**
Divorce, division of CRUT incident to, **6:292**
Exercise of right of election and disclaimer by spouse, **6:289**
Income beneficiary death, special rule where, **6:284**
Individual remaindermen, charitable trust with, **6:288**
Interest, reformable, term defined, **6:283**
Nonstatutory reformation exceptions, **6:290**
Qualified reformation
definition, **6:282**
time to commence, **6:285, 6:286**
Reformable interest, term defined, **6:283**
Right of election exercise and disclaimer by spouse, **6:289**
Scrivener's error, **6:291**
Special rule where income beneficiary dies, **6:284**
Spouse's exercise of right of election and disclaimer, **6:289**
Time to commence qualified reformation, **6:285, 6:286**

**REFUND CLAIMS**
Generally, **12:59 et seq., 20:1 et seq.**
Answer, district court actions, **20:16**
Appeals, district court actions, **20:32**
Application for refund, filing, **20:4**
Burden of proof, district court actions, **20:23**
Choice of forum, **20:8, 20:9**
Choice of remedies, **20:1**
Collected amount greater than computed amount, **12:75**
Collection of gift tax, **18:45**

**REFUND CLAIMS—Cont'd**
Commencement of case, federal claims court actions, **20:34**
Complaints
contents, **20:12**
district court actions, **20:12 et seq.**
filing, **20:14**
form, **20:15**
service, **20:14**
signatures, **20:13**
statement of grounds for refund, **20:6, 20:7**
Contents of claim, **12:66**
Cost awards, district court actions, **20:27, 20:28**
Counterclaim, district court actions, **20:16**
Credits, limitations on, **12:70**
Decisions, federal claims court actions, **20:40**
Defendant in action, district court, **20:11**
Deficiencies, when disallowed, **12:74**
District court actions
generally, **20:10**
answer, **20:16**
appeals, **20:32**
burden of proof, **20:23**
claim for refund form, **20:31**
complaints, **20:12 et seq.**
cost awards, **20:27, 20:28**
counterclaim, **20:16**
defendant in action, **20:11**
evidence, **20:22**
examination of jurors, **20:20**
fee awards, **20:27**
findings by court
generally, **20:24**
amendments of findings, **20:25**
form of complaint, **20:15**
judgments, **20:26**
jurors, examination of jurors, **20:20**
jury demand, **20:18**
payment of judgment, **20:30**
pretrial proceedings, **20:19**
prevailing party, **20:29**
reply, **20:17**
verdict, **20:21**
Evidence, district court actions, **20:22**
Examination of jurors, district court actions, **20:20**
Federal claims court actions
generally, **20:33 et seq.**
commencement of case, **20:34**
decisions, **20:40**
judgments, **20:40**
jurisdiction, **20:33**

**REFUND CLAIMS—Cont'd**
Federal claims court actions—Cont'd
jury trials, **20:38**
payment of judgments, **20:41**
petitions, **20:35, 20:36**
place and mode of trial, **20:37**
transcripts, **20:39**
trials, **20:37**
Fee awards, district court actions, **20:27**
Filing application for refund, **20:4**
Filing claims, statutory period for
generally, **12:63, 12:64**
expiration, **12:76**
Filing of complaints, **20:14**
Findings by court, district court actions
generally, **20:24**
amendments of findings, **20:25**
Forms
claim
generally, **12:68**
district court actions, **20:31**
complaint, district court actions, **20:15**
Grounds for refund must be stated, **20:6, 20:7**
How claim is made, **12:65**
Interest, **12:71**
Jeopardy assessments, **12:73**
Judgments
district court actions, **20:26, 20:30**
federal claims court actions, **20:40**
Jurisdiction, federal claims court actions, **20:33**
Jurors, examination of, **20:20**
Jury trials
demand, district court actions, **20:18**
federal claims court actions, **20:38**
Limitation of actions
generally, **12:63, 12:64**
expiration, **12:76**
Limitations in case of petition to tax court, **12:69**
Limitations on credit or refund, **12:70**
Overpayment, term defined, **12:60**
Overpayment determined by tax court, **12:72 et seq.**
Overpayment of estate tax while deferred estate tax outstanding, **12:61**
Payment of judgments
district court actions, **20:30**
federal claims court actions, **20:41**
Payment of tax as requirement for actions, **20:3**
Payment prior to filing of claim, **12:62**
Petitions
federal claims court actions, **20:35, 20:36**

**REFUND CLAIMS—Cont'd**
Petitions—Cont'd
signatures, **20:36**
statement of grounds for refund, **20:6, 20:7**
Petitions to tax court, limitations, **12:69**
Power of attorney requirement, **12:67**
Pretrial proceedings, district court actions, **20:19**
Prevailing party, district court actions, **20:29**
Procedure, **12:65**
Remedies, choice of, **20:1**
Reply, district court actions, **20:17**
Requirements for actions, **20:2**
Requirements for actions, payment of tax, **20:3**
Service of complaints, **20:14**
Signatures, petitions, **20:36**
Signatures on complaints, **20:13**
Statement of grounds for refund, **20:6, 20:7**
Statutory period for filing claim, **12:63**
generally, **12:64**
expiration, **12:76**
Tax court
limitations in case of petition to, **12:69**
overpayments determined by, **12:72 et seq.**
Transcripts, federal claims court actions, **20:39**
Trials, federal claims court actions, **20:37**
Verdict, district court actions, **20:21**
When refund suit can begin, **20:5**

**RELATED PARTY TRANSACTIONS**
Gross estate determinations of interests held at death, **2:9**

**RELIGIOUS ORGANIZATIONS**
Estate tax deductions for contributions. See **Taxable Estate** (this index)
Gift deductions
generally, **16:90**
transfers to corporations, **16:92**

**REMAINDERS**
Alternate valuation, **4:21**
**Charitable Remainder Annuity Trusts** (this index)
**Charitable Remainder Trusts** (this index)
**Charitable Remainder Unitrusts** (this index)
**Charities** (this index)
Contingent remainders, gross estate determinations, **2:109**
Depreciable and depletable property
fair market value of remainder interest in, **3:265**
remainder interests, gift valuation, **17:168**
Disclaimer failure, gift tax, **14:60**
**Estate Freeze Transfers** (this index)

**REMAINDERS—Cont'd**
Estate tax payment, extension of time for, **10:31**
Exclusions, gift tax, **16:21**
Extension of time for estate tax payment, **10:31**
**Fair Market Value** (this index)
**Farms** (this index)
Foreign death taxes credit, **7:47**
**Generation-Skipping Transfer Tax** (this index)
Gifts of remainder interests, charitable deductions, **16:118 et seq.**
**Gift Tax** (this index)
Gift to spouse, terminable interest rule, **16:141**
Gift valuation
generally, **17:145**
depreciable and depletable property remainder interests, **17:168**
**Gross Estate Determinations** (this index)
Information required with tax return for deduction of present value of temporary or remainder interest, **3:240**
Outright remainder in personal residence or farm, **16:132**
Payment of estate tax, extensions, reversion or remainder interest liabilities, **10:31**
QPRTs, remainder interest sales, **17:126**
QPRTs, valuing contingent remainder, **17:110**
QTIP trust remainder interest transfers, gift tax
charities, transfers to, **14:20**
spouses, **14:19**
**Residences** (this index)
Sale of remainder and gift of terminable interest to spouse, **16:142**
**Taxable Estate** (this index)
**Valuation** (this index)

**REMEDIES**
**Collection of tax** (this index)
**Refund Claims** (this index)
**Settlements of Tax Disputes** (this index)
**Taxpayers' Remedies** (this index)

**RENTALS**
Fair market value, **3:86, 3:88**
Income capitalization valuation of realty, **3:86**
Installment payments of estate tax, qualifying rental activities for estate tax deferral, **10:41**
Life estates in rental real estate, partial interest retentions in transfers with retained life estates, **2:160**

**RESCISSION**
Gifts, rescissions of, **14:95**

**RESIDENCES**
Charitable nontrust remainder as qualifying transfers, taxable estate charitable deductions
generally, **6:271**
valuation, **6:272**
Nonresidents not citizens estate tax, **8:13 et seq.**
Outright remainder in, gift tax charitable deductions, **16:132**
Personal residences
definition, **17:101**
**Estate Freeze Transfers** (this index)
**Qualified Personal Residence Trusts** (this index)
trusts, **17:104**
Qualified domestic trusts, statement with respect to residence exclusion, **6:223**
Transfers with retained life estates, gross estate determinations
generally, **2:171 et seq.**
lease-back transfers, **2:173**

**RESTRICTIVE COVENANTS**
Discounts, **22:37**

**RETIRED DECEDENTS**
Special use valuation election requirements, **5:47**

**RETIREMENT**
Additional estate tax imposed on excess retirement accumulation of estates of decedents dying on or before December 31, 1996, **7:51**

**RETURNS**
**Filing of Tax Returns** (this index)
**Tax Return Preparers** (this index)

**REVALUATION OF GIFTS**
Generally, **3:18, 7:23 to 7:25, 17:180 to 17:182**

**REVERSIONS**
Alternate valuation, **4:21**
Estate tax payment, extension of time for, **10:31**
**Fair Market Value** (this index)
Foreign death taxes credit, **7:47**
Gift tax, exclusions, **16:21**
Gift valuation, **17:145**
**Gross Estate Determinations** (this index)
Life insurance reversionary interests, gross estate determinations, **2:54**
Payment of estate tax, extensions, reversion or remainder interest liabilities, **10:31**
**Valuation** (this index)

**RIGHTS OF TAXPAYERS**
Generally, **App. O**

**RIGHTS OF TAXPAYERS—Cont'd**
Appeal rights, **App. P**
Privileged communications, **12:91**
Protest, how to prepare, **App. P**

**SAME-SEX MARRIAGES**
Marital deduction rights, **6:100**
Support obligations. See **Taxable Estate** (this index)

**SAVINGS BONDS**
**US Savings Bonds** (this index)

**SCHEDULES**
A (gross estate determinations, real estate), **2:16 et seq.**
B (gross estate determinations, stocks and bonds, **2:20 et seq.**
C (gross estate determinations, cash and bank deposits), **2:24 et seq.**
D (gross estate determinations, life insurance, **2:30 et seq.**
E (gross estate determinations, jointly held property, **2:71 et seq.**
F (gross estate determinations, miscellaneous property, **2:90 et seq.**
G (gross estate determinations, transfers during decedent's life, **2:120 et seq.**
H (gross estate determinations, powers of appointment, **2:227 et seq.**
I (gross estate determinations, annuities and pensions), **2:282 et seq.**
J (taxable estate, funeral and administration expenses, **6:11 et seq.**
K (taxable estate, claims against estate, **6:50 et seq.**
L (taxable estate, casualty or theft losses during administration), **6:93 et seq.**
M (taxable estate, marital deduction), **6:99 et seq.**
O (taxable estate, transfers for public, charitable, and religious uses), **6:232 et seq.**
P (estate tax credits, foreign death taxes), **7:41**
PC (protective claim for refund), **App. B**
Q (estate tax credits, tax paid on prior transfers), **7:26**
T (taxable estate, family-owned business deduction), **6:302 et seq.**
U (taxable estate, qualified conservation easement exclusion), **6:323 et seq.**

**SCIENTIFIC ORGANIZATIONS**
Deductible gifts to
generally, **16:90**
transfers to corporations, **16:92**

**SCIN**
**Self-Canceling Installment Notes** (this index)

**S CORPORATIONS**
**Corporations** (this index)

**SCRIVENER'S ERRORS**
Charitable split interests, reformation, **6:291**
Generation-skipping transfer tax, modifications of exempt trusts, **19:74**
Incomplete gift to trust, reformation, **14:22**
Irrevocable trust modifications and divisions, transfers with retained life estates, **2:154**
Marital deduction, flawed drafting, **6:176, 6:177**
Nongeneral powers of appointment, **2:251**
Will contests affecting marital deduction, **6:119**

**SEASONAL ACTIVITIES**
Special use valuation election requirements, **5:38 et seq.**

**SECURITIES, STOCKS, AND BONDS**
Beneficial interests in stocks and bonds, gross estate determinations, **2:21**
Close corporation interests valuation. **Fair Market Value** (this index)
**Dividends** (this index)
**Estate Freeze Transfers** (this index)
Estate tax payment, stock redemption under Section 303, **10:90, 10:91**
Ex-dividend sales of stock, fair market value, **3:103**
**Fair Market Value** (this index)
Family-owned businesses, stock redemptions affecting estate tax deductions, **6:321**
**Flower Bonds** (this index)
Foreign stock of expatriate, **8:8**
Foreign stock transfers, nonresidents not citizens of US, **15:8**
Gift tax
deductions, charitable gifts of stock ex voting power, **16:99**
nonresidents not citizens of US, **15:8**
tax exempt securities as taxable transfer, **14:151**
Gift valuation
generally, **17:138**
blockage valuation, **17:142**
closely-held corporations, **17:139, 17:140**
discounted cash flow, **17:140**
family corporations, **17:141**
net asset valuation, **17:140**
**Gross Estate Determinations** (this index)
Incomplete selling prices or bid and asked prices, fair market value, **3:100**

**SECURITIES, STOCKS, AND BONDS—Cont'd**
Nonresidents not citizens
estate tax, foreign stock of expatriate, **8:8**
gifts by, taxable, **15:8**
gross estate determinations, **8:38 et seq., 8:42 et seq.**
Restricted securities discount, **22:16**
Sales price not reflecting value, **3:102**
Special valuation rules
generally, **17:14 et seq.**
**Estate Freeze Transfers** (this index)
Stock, charitable gifts ex voting power, gift tax deductions, **16:99**
Stock redemptions affecting family-owned businesses estate tax deductions, **6:321**
Stock redemption under Section 303, estate tax payment, **10:90, 10:91**
Stocks
ex voting power, charitable gifts, **16:99**
fair market value of closely held stock, post-death sale used to value, **3:20**
Tax exempt securities
gift tax, **14:151**
gross estate determinations, **2:22**
Traded and untraded, fair market value, **3:101**
**US Savings Bonds** (this index)
Valuation
generally, **3:98 et seq.**
**Fair Market Value** (this index)
gift valuation
generally, **17:138**
blockage valuation, **17:142**
closely-held corporations, **17:139, 17:140**
discounted cash flow, **17:140**
family corporations, **17:141**
net asset valuation, **17:140**
sales price not reflecting value, **3:102**

**SELF-CANCELING INSTALLMENT NOTES (SCINs)**
Gift tax, **14:52**
Gross estate determinations
generally, **2:25**
valuation, **2:26**

**SELF-SETTLED TRUSTS**
Gift tax
generally, **14:54 to 14:56, 14:106 to 14:109**
completed gifts, **14:106, 14:107**
Transfers with retained life estates, gross estate determinations, **2:170**

**SETTLEMENTS**
Charitable deductions, will contest settlements, **6:236, 6:237, 6:253**
Estate tax deductibility, marital obligation, **6:76**
Fair market value, settlement agreements secured by commercial annuities, **3:310**
Generation-skipping transfer tax
generally, **19:73**
adopted child status and perpetuities period, settlement resolving, **19:85**
per capita and per stirpes distributee, settlement resolving conflicts between, **19:86**
Gross estate determinations, settlement dividing insurance proceeds, **2:35**
Marital deduction, settlements of will contests
generally, **6:114**
case study, **6:116**
qualifying a settlement, **6:115**
reimbursement issues, **6:117**
Marital obligation estate tax deductibility, **6:76**
Qualifying a settlement, marital deduction, settlements of will contests, **6:115**
Taxable estate deductibility, **6:53**
Tax disputes. **Settlements of Tax Disputes** (this index)
Will contest settlements, charitable deductions, **6:236, 6:237, 6:253**

**SETTLEMENTS OF TAX DISPUTES**
Generally, **11:1 et seq.**
Agent, authorizing, **11:9**
Appeal procedure, **11:27**
Application for identification number, **11:2**
Assessment of deficiency, waiver of restrictions on, form, **11:34**
Authority to sign return, **11:9**
Authorizing a representative or agent, **11:9**
Closing agreements
generally, **11:35, 18:46**
final closing agreements, **11:36**
gift tax, **18:46**
Closing letters
request, closing letters issued only on request, **11:12**
transcripts in lieu of closing letter, **11:13**
Collection of deficiency, waiver of restrictions on, form, **11:34**
Compromises
generally, **11:37**
finality of, **11:40**
signing offer in compromise under power of attorney, **11:42**

**SETTLEMENTS OF TAX DISPUTES—Cont'd**
Contents of protests, **11:25**
Declaration of representative, **11:8**
Deficiencies
generally, **11:22**
90-day letter, **11:28 et seq.**
statutory notice of deficiency, **11:28 et seq.**
when assessed, **11:23**
Deficiencies, waiver of restrictions on assessment and collection of, form, **11:34**
Deposits to suspend interest on potential underpayments of estate tax, **10:87 et seq.**
Early referrals, **11:19**
Estate tax disputes, **11:1 et seq.**
Examination of return, **11:11 et seq.**
Finality of compromise agreement, **11:40**
Form 8821, Tax Information Authorization, **11:10**
Forms
assessment of deficiency, waiver of restrictions on, **11:34**
collection of deficiency, waiver of restrictions on, **11:34**
deficiencies, waiver of restrictions on assessment and collection, **11:34**
90-day letter, **11:33**
power of attorney, **11:7, 11:8**
protests, **11:26**
restrictions on assessment and collection of deficiency waiver of, **11:34**
revocation of notice, **11:6**
termination of notice, **11:6**
30-day letters, **11:21**
waiver of restrictions on assessment and collection of deficiency, **11:34**
Gift tax settlement closing agreements, **18:46**
Importance of filing notice, **11:5**
90-day letter, form, **11:33**
Notice of deficiency, statutory, **11:28 et seq.**
Notice of fiduciary relationship, **11:2 et seq.**
Offers of partial payment, **11:38**
Partial payment, **11:38**
Powers of attorney
Form 2484, declaration of representative, **11:8**
Publication 947, practice before the IRS, **11:7**
signing offer in compromise under, **11:42**
Protests
generally, **11:24 et seq.**
contents, **11:25**
form, **11:26**
how to prepare, **App. P**
response to 30-day letter, **11:24**

**SETTLEMENTS OF TAX DISPUTES—Cont'd**
Rejection of offer, **11:41**
Representative, authorizing, **11:9**
Restrictions on assessment and collection of deficiency waiver of, form, **11:34**
Return, examination, **11:11 et seq.**
Revocation of notice, **11:6**
Signing offer in compromise under power of attorney, **11:42**
Statutory notice of deficiency, **11:28 et seq.**
Statutory trustee status, **11:4**
Tax Information Authorization, **11:10**
Termination of notice, **11:6**
30-day letters
generally, **11:20**
form, **11:21**
taxpayer's response, **11:24**
Waiver of restrictions on assessment and collection of deficiency, form, **11:34**
When deficiency assessed, **11:23**
Withholding of collection, **11:39**

**SHIPS**
**Fair Market Value** (this index)

**SIGNATURES**
**Fair Market Value** (this index)

**SIMULTANEOUS DEATH**
Gross estate determinations
jointly owned property, **2:88**
transfers taking effect at death, **2:200, 2:201**
Life insurance, fair market value, simultaneous death of owner and insured, **3:211**

**SLI**
**Survivorship Life Insurance** (this index)

**SPECIAL USE VALUATION**
Acquired from decedent property, election requirements, **5:10**
Active management by eligible qualified heirs, recapture of estate tax, **5:101**
Active management of surviving spouse, election requirements, **5:46**
Actual use, **5:2**
Additional estate tax return, recapture of estate tax, **5:120**
Additional tax computation on recapture of estate tax
generally, **5:104**
adjusted tax difference, **5:105**
Adjusted value
gross estate, **5:50**

**SPECIAL USE VALUATION—Cont'd**
Adjusted value—Cont'd
property, **5:51**
Adjusted value, election requirements, **5:49 et seq.**
Adopted children, election requirements, **5:14**
Aggregation, percentage qualification requirements, **5:53**
Agreement to special use valuation
generally, **5:70 et seq.**
designations of agent, **5:71**
duties of agent, **5:75**
election, **5:78**
form, **5:72**
**Alternate Valuation** (this index)
Alternate valuation and, multiple elections, **5:4**
Applicable dispositions, recapture of estate tax, **5:94**
Arm's-length transaction requirement, formula method of determining special use value, **5:60**
Basis in the property, **5:6**
Business properties, **5:5**
Calculations. Determining special use value, below
Cessation of qualified use, recapture of estate tax, **5:97**
Changing valuation method, **5:55**
Changing valuation method of determining special use value, **5:55**
Closely-held businesses, election requirements, **5:44**
Closely-held businesses, leases to, election requirements, **5:30**
Combining discounts with special use valuation, **5:28**
Community real property election requirements, **5:26**
Comparables, formula method of determining special use value, **5:61**
**Computation of Tax** (this index)
Congressional purpose, exception to achieve, **5:17**
Conservation contributions, recapture of estate tax, **5:100**
Corporate-owned real estate, elections, **5:74**
Corporation property, election requirements, **5:27, 5:42**
Credits for estate tax paid on prior transfers, credit for
recaptured estate tax attributable to special use valuation, treatment of, **7:30**
special use valuation, treatment of recaptured estate tax attributable to, **7:30**
treatment of recaptured estate tax attributable to special use valuation, **7:30**

**SPECIAL USE VALUATION—Cont'd**
Crop share leases, election requirements, **5:40**
Curing minor defects, **5:76**
Decrease in value limitation, **5:7**
Definitions
disabled decedent, **5:48**
involuntary conversion, **5:117**
qualified exchange property, **5:114**
Designations of agents, agreement to special use valuation
generally, **5:71**
duties of agent, **5:75**
Determining special use value
generally, **5:54**
basic rules, **5:54**
changing valuation method, **5:55**
Formula method of determining special use value, below
multiple factor method, **5:56**
Disabled decedents
definition, **5:48**
election requirements, **5:47**
Disclaimers, effect of, **5:19**
Dispositions causing recapture, **5:95**
Diversified lands, election requirements, **5:22**
Documentation requirements, formula method of determining special use value, **5:62**
Effective interest rate, formula method of determining special use value, **5:64 et seq.**
Election requirements
active management of surviving spouse, **5:46**
adopted children, **5:14**
closely-held businesses
generally, **5:44**
leases to, **5:30**
combining discounts with special use valuation, **5:28**
community real property, **5:26**
Congressional purpose, exception to achieve, **5:17**
corporation property, **5:27, 5:42**
crop share leases, **5:40**
disabled decedents, **5:47**
disclaimers, effect of, **5:19**
diversified lands, **5:22**
entities, transfers to, **5:31**
estate held property, **5:45**
exception to achieve Congressional purpose, **5:17**
farmland limited partnership interests, **5:29**
farm use, **5:20, 5:21**

**SPECIAL USE VALUATION—Cont'd**
Election requirements—Cont'd
leases to closely-held businesses, **5:30**
method for valuing, **5:24**
partnership property, **5:27, 5:42**
part-time activities, **5:38 et seq.**
pre-death ownership and use
generally, **5:32**
tacking, **5:34**
qualified disclaimers, effect of, **5:19**
real property, ownership and material participation
generally, **5:25**
materiality of participation, **5:35 et seq.**
tacking, **5:34**
retired decedents, **5:47**
seasonal activities, **5:38 et seq.**
self-employed participants, **5:41**
spouses, survivorship provisions, **5:15**
successive interest passing to qualified heirs, **5:16**
trade or business use, **5:20**
transfers of property, **5:33**
trust property, **5:27, 5:42, 5:43**
wait and see approach, **5:18**
Elections
generally, **5:9, 5:68**
acquired from decedent property, **5:10**
Agreement to special use valuation, above
agreement to use, **5:78**
corporate-owned real estate, **5:74**
curing minor defects, **5:76**
family member, **5:13**
illustrative examples, **5:79**
interest in property requirement, **5:73**
joint or undivided interests, **5:84**
minor defects, curing, **5:76**
missing information, **5:77**
1986 legislation, **5:81, 5:82**
notice
generally, **5:69**
protective elections, **5:88, 5:89**
partial, **5:83**
passed from decedent property, **5:10**
Percentage qualification requirements, below
protective, **5:86 et seq.**
qualified heirs
generally, **5:12**
successive interests, **5:16**
qualified woodlands
generally, **5:90**

**SPECIAL USE VALUATION—Cont'd**
Elections—Cont'd
qualified woodlands—Cont'd
requirements, **5:23**
requirements, **5:9**
special use valuation and alternate valuation, **5:4**
successive interests, **5:85**
trust property, **5:11**
Entities, transfers to, election requirements, **5:31**
Estate held property, election requirements, **5:45**
Exception to achieve Congressional purpose, **5:17**
Fair market value challenges on recapture of estate tax, **5:107**
Family member election requirements, **5:13**
Farm properties
generally, **5:5**
election requirements, **5:20, 5:21**
limited partnership interests, **5:29**
Form, agreement to special use valuation, **5:72**
Form 706-A , recapture of estate tax, **5:120**
Formula method of determining special use value
generally, **5:57 et seq.**
arm's-length transaction requirement, **5:60**
comparables, **5:61**
documentation requirements, **5:62**
effective interest rate, **5:64 et seq.**
gross cash rental, **5:58**
interest rate, **5:64 et seq.**
net share rental, **5:59**
state and local real estate taxes, **5:63**
Grace period, recapture of estate tax, **5:92**
Gross cash rental valuation, **5:58**
Gross estate, adjusted value, **5:50**
Highest and best use rule, **5:1**
Illustrative examples, **5:79**
Indebtedness deductions, **5:8**
Interest in property requirement, elections, **5:73**
Interest rate, formula method of determining special use value, **5:64 et seq.**
Involuntary conversion of specially valued property
definition, **5:117**
recapture of estate tax, **5:93, 5:116**
Joint or undivided interests, elections, **5:84**
Land diversion program participation, recapture of estate tax, **5:102**
Leases to closely-held businesses, election requirements, **5:30**
Like-kind exchanges during recapture period, **5:113**
Limitation on decrease in value, **5:7**
Methods of valuation
generally, **5:24**

**SPECIAL USE VALUATION—Cont'd**
Methods of valuation—Cont'd
Determining special use value, above
Minor defects, curing, **5:76**
Minority interest discount allowed in conjunction with special use valuation, **22:6**
Multiple factor method of determining special use value, **5:56**
Net share rental valuation, **5:59**
1986 legislation, elections, **5:81, 5:82**
Nonagricultural development rights, recapture of estate tax on sale of, **5:98**
Notice of elections
generally, **5:69**
protective elections, **5:88, 5:89**
Oil and gas activities, recapture of estate tax, **5:96**
Partial dispositions, recapture of estate tax, **5:109**
Partial elections, **5:83**
Partnership property, election requirements, **5:27, 5:42**
Part-time activities, election requirements, **5:38 et seq.**
Passed from decedent property, election requirements, **5:10**
Percentage qualification requirements, **5:49**
adjusted value
gross estate, **5:50**
property, **5:51**
aggregation, **5:53**
gift property, **5:52**
gross estate adjusted value, **5:50**
property, adjusted value, **5:51**
Pre-death ownership and use, election requirements
generally, **5:32**
tacking, **5:34**
Property value, adjusted, **5:51**
Protective elections, **5:86 et seq.**
Qualified disclaimers, effect of, **5:19**
Qualified heir, election requirements
generally, **5:12**
successive interests, **5:16**
Qualified replacement property, recapture of estate tax, **5:118**
Qualified use cessation, recapture of estate tax, **5:97**
Real property, ownership and material participation election requirements
generally, **5:25**
materiality of participation, **5:35 et seq.**
tacking, **5:34**
Recapture of estate tax
generally, **5:3, 5:91 et seq.**

**SPECIAL USE VALUATION—Cont'd**
Recapture of estate tax—Cont'd
active management by eligible qualified heirs, **5:101**
additional estate tax, computation of
generally, **5:104**
adjusted tax difference, **5:105**
additional estate tax return, **5:120**
applicable dispositions, **5:94**
cessation of qualified use, **5:97**
computing the recapture tax, **5:110, 5:115**
conservation contributions, **5:100**
credits for estate tax paid on prior transfers attributable to special use valuation, treatment of, **7:30**
definition of qualified exchange property, **5:114**
dispositions causing recapture, **5:95**
fair market value challenges, **5:107**
Form 706-A, **5:120**
grace period, **5:92**
involuntary conversion of specially valued property, **5:93, 5:116**
land diversion program participation, **5:102**
liability for recapture tax, **5:112**
like-kind exchanges during recapture period, **5:113**
nonagricultural development rights, sale of, **5:98**
oil and gas activities, **5:96**
partial dispositions, **5:109**
participation in land diversion program, **5:102**
qualified replacement property, **5:118**
qualified use cessation, **5:97**
rules, **5:3**
sale of nonagricultural development rights, **5:98**
single recapture, **5:103**
state death tax credits, **5:106**
timber severances, **5:108**
treatment of replacement property, **5:119**
two-year grace period, **5:92**
water rights transfers, **5:99**
when due, **5:111**
Retired decedents, election requirements, **5:47**
Seasonal activities, election requirements, **5:38 et seq.**
Self-employed participants, election requirements, **5:41**
Single recapture of estate tax, **5:103**
Spouses, survivorship provisions, election requirements, **5:15**
State and local real estate taxes, formula method of determining special use value, **5:63**

**SPECIAL USE VALUATION—Cont'd**
State death tax credits on recapture of estate tax, **5:106**
Successive interest passing to qualified heirs, election requirements, **5:16**
Successive interests, elections, **5:85**
Timber severances, recapture of estate tax, **5:108**
Trade or business use, election requirements, **5:20**
Transfers of property, election requirements, **5:33**
Treatment of recaptured estate tax attributable to special use valuation, credits for estate tax paid on prior transfers, **7:30**
Treatment of replacement property, recapture of estate tax, **5:119**
Trust property, election requirements, **5:11, 5:27, 5:42, 5:43**
Two-year grace period, recapture of estate tax, **5:92**
Wait and see approach, election requirements, **5:18**
Water rights transfers, recapture of estate tax on, **5:99**
Woodlands elections
generally, **5:90**
requirements, **5:23**

**SPECIAL VALUATION RULES**
Chapter 14 rules, **17:14 et seq.**
Computation of estate tax, **7:2**
**Fair Market Value** (this index)
GST property, **19:103**

**SPENDTHRIFT CLAUSES IN POWERS OF APPOINTMENT**
Gross estate determinations, **2:252**

**SPENDTHRIFTS TRUST**
Collection, levy against, **12:40**

**SPLIT GIFTS**
Generally, **16:176 to 16:186**
Beneficiary, gift splitting when spouse is a, **16:185**
Calendar year, consent applies to, **16:178**
Collection of tax, joint and several liability, **16:181**
Consent
calendar year, **16:178**
manner and time of signifying, **16:179**
revocation of, **16:180**
Contingent interests, **16:184**
Crummey transfers and, **16:182**
Deemed GST tax, **19:110**
Effect, **16:176**
Estate tax
generally, **2:126**
gross estate determinations, transfers during life, **2:126**

**SPLIT GIFTS—Cont'd**
Estate tax—Cont'd
gross-up rule, **2:149**
three years of death, split gifts made within, **7:3**
Filing requirements, **18:18**
Gift tax, generally, **16:176 et seq.**
GST tax implications, **16:183**
Joint and several liability for tax, **16:181**
Manner and time of signifying consent, **16:179**
Nonresidents not citizens of US, **15:11**
Requirements for gift splitting, **16:177**
Revocation of consent, **16:180**
Statute of limitations, **16:186**
Tax return filing requirements, **18:18**

**SPLIT INTERESTS**
Charitable deductions, non-qualifying split interest trust as qualifying transfers, **6:277**
Estate freeze transfers, split interests adjustments, **17:64**
**Reformation of Charitable Split Interests** (this index)

**SPOUSES**
Active management of surviving spouse, special use valuation election requirements, **5:46**
**Community Property** (this index)
Disclaimers of interests as taxable transfers, noncitizen surviving spouses, **14:83**
Election by surviving spouse, disclaimers of interests as taxable transfers, **14:73**
Estate freeze transfers, **17:51**
Generation-skipping transfer tax, determining generations, spouse of descendant or transferor, **19:20**
Gift tax
disclaimers of interests by noncitizen surviving spouses, **14:83**
election by surviving spouse, disclaimers of interests, **14:73**
exclusions, nonresident spouses, **16:77**
preserving spouse's credit shelter with a power of appointment, **14:37**
QTIP trust remainder interest transfers to, **14:19**
spouses as beneficiaries, disclaimers of interests as taxable transfers, **14:72 et seq.**
structuring transfer to preserve spouse's unified credit, **14:36**
Gift to wife of gift tax paid within three years of husband's death included in husband's estate, **14:35**
Gross estate determinations, life insurance proceeds payable to divorced spouse, **2:55, 2:56**

**SPOUSES—Cont'd**
Income tax of spouse, payment as taxable transfer, **14:153**
Irrevocable life insurance trusts, spouse as trustee
generally, **2:51**
IRS guidance, **2:70**
Joint and several liability for tax, splitting of gifts by spouses, **16:181**
Jointly owned property, mortgages and liens claims against estates, deductibility, **6:87**
Life insurance proceeds payable to divorced spouse, gross estate determinations, **2:55, 2:56**
**Marital Deduction** (this index)
**Marital Property** (this index)
Mortgages and liens claims on jointly owned property, estate tax deductibility, **6:87**
Noncitizen spouses
disclaimers of interests as taxable transfers, noncitizen surviving spouses, **14:83**
**Qualified Domestic Trusts** (this index)
**Nonresidents Not Citizens** (this index)
Nonresident spouses, gift tax exclusions, **16:77**
Payment of spouse's income tax as taxable transfers, **14:153**
Preserving spouse's credit shelter with a power of appointment, **14:37**
QTIP trust remainder interest transfers to, gift tax, **14:19**
**Qualified Domestic Trusts** (this index)
**Qualified Terminable Interest Property** (this index)
Special use valuation
active management of surviving spouse, election requirements, **5:46**
election requirements, spouses, survivorship provisions, **5:15**
**Split Gifts** (this index)
**Survivorship** (this index)
Trusts, spouse as trustee of irrevocable life insurance trust
generally, **2:51**
IRS guidance, **2:70**

**STAMP COLLECTIONS**
Fair market value, **3:292**

**STATE LAW**
**Community Property** (this index)
**Death Taxes** (this index)
Deduction from estate taxes for state death taxes, **7:17**
Disclaimer statutes, **14:93, App. E**

**STATE LAW—Cont'd**
Estate freeze transfers, exception for lapses that occur by reason of changes in state law, **17:74**
Estate tax considerations, generally, **1:5**
Estate tax credit for state death taxes applicable to estates of decedents dying prior to 2005, **7:16**
**Gift Tax** (this index)
Gross estate determinations
apportionment statutes; Sommers 1 and 2 decisions, **2:144**
Illinois land trusts, **2:189**
interests held at death, **2:3**
self-appointment under power of appointment, **2:260 et seq.**
GST tax, credit for state generation-skipping transfer taxes, **19:112**
Illinois land trusts, gross estate determinations, right to designate enjoyment of transferred property, **2:189**
Life estate plus power of appointment, gift tax marital deduction, **16:161**
Power of appointment, self-appointment, gross estate determinations, **2:260 et seq.**
Property taxes, taxable estate deductions, **6:63**
Real estate taxes, special use valuation, formula method of determining, **5:63**
Real property valuation, local tax assessments
generally, **3:47**
assessed value, **3:48**
Self-appointment under power of appointment, gross estate determinations, **2:260 et seq.**
**Simultaneous Death** (this index)
Special use valuation, formula method of determining, real estate taxes, **5:63**
Special use valuation recapture of estate tax, state death tax credits, **5:106**
Taxable estate, property taxes deductibility, **6:63**
Terminable interest rule for marital deductions
local law applicable, **6:154, 6:155**
state law effects, **6:184**
**Uniform Gifts and Uniform Transfers to Minors Acts** (this index)
**Workers' Compensation** (this index)

**STATUTE OF LIMITATIONS**
**Limitation of Actions** (this index)

**STEP TRANSACTIONS**
Market valuation discounts, collapsing four gifts and sales into two gifts, **21:17**
Planning, step transaction doctrine and indirect gifts, **21:12**

**STOCKS**
**Securities, Stocks, and Bonds** (this index)

**STOLEN PROPERTY**
Fair market value, **3:15**
Gross estate determinations, **2:117**

**SUBSTANCE OVER FORM RULE**
Gross estate determinations of interests held at death, **2:10**

**SUITS, COLLECTION**
**Collection of tax** (this index)
**Refund Claims** (this index)
**Taxpayers' Remedies** (this index)

**SUPPORT OBLIGATIONS**
Generation-skipping transfer tax. terminations taxable, **19:9**
Gift tax, insufficient consideration transfers, **14:41 et seq.**
Gift valuation transfers subject to, **17:164 et seq.**
Insufficient consideration transfers, gift tax
generally, **14:41 et seq.**
child support, **14:47**
**Taxable Estate** (this index)
Valuation transfers subject to gift valuation, **17:164 et seq.**

**SURVIVORSHIP**
Active management of, special use valuation election requirements, **5:46**
Disclaimers of interests as taxable transfers, noncitizen surviving spouses, **14:83**
Estate tax payment, reimbursement for, **10:17**
Gift tax disclaimers
generally, **14:73**
noncitizen surviving spouses, **14:83**
Life insurance. **Survivorship Life Insurance** (this index)
Marital deduction, valuation of property interest passing, **6:131 et seq.**
Taxable estate, marital deductions
generally, **6:104**
presumptive survivorship, **6:105**
Terminable interest rule for marital deductions, survivorship exception, **6:164, 6:165**

**SURVIVORSHIP LIFE INSURANCE (SLI)**
Generally, **2:51**
Spouse as trustee
generally, **2:51**
IRS guidance, **2:70**

**SWING VOTE VALUATION**
Market valuation discount, **21:7, 21:8**

**TABLES, VALUATION**
**Fair Market Value** (this index)

**TAXABLE ESTATE**
Generally, **6:1 et seq.**
Adequacy of consideration, claims against estate deductions, **6:51 et seq.**
Administering community property expenses, deductibility, **6:41**
Administering property subject to claims against the estate, time limitation on deductibility
generally, **6:10**
nonclaims property, **6:11**
Administration expense deductions
generally, **6:1 et seq.**
Executor's commissions deductions, below
foreign currency, administration expenses expressed in, **6:46**
multi-hatted administrators, tax trap, **6:49**
property not subject to claims, **6:15**
property subject to claims, **6:14**
protracted administrations, **6:16**
Administrative expense deductions
miscellaneous administration expenses, **6:43**
two estates, administration expenses involving, **6:25**
Administrative powers, terminable interest rule for marital deductions, **6:174, 6:175**
Alimony claims, deductibility, **6:78**
Alternate valuation, casualty or theft loss deductions, effect on, **6:98**
Annuity payment obligations, marital deduction, **6:148**
Annuity with power of appointment, terminable interest rule for marital deductions, **6:166**
Apportionment planning, marital deduction, **6:143 et seq.**
Art works
charitable deductions, **6:279**
marital deduction, interest passing requirement, **6:111**
Attorneys' fees, deductions
generally, **6:7**
forms
generally, **6:24**
nonprobate assets, **6:26**
Basic requirements for deductibility, **6:2**
Bequest in lieu of commissions, executor's commissions deductions, **6:19**

**TAXABLE ESTATE—Cont'd**
Borrowed funds to pay estate tax, interest accruing after death, deductibility
generally, **6:44**
liquid estate assets available, **6:33**
Care during lifetime, claims based on, deductibility, **6:54**
Casualty or theft loss deductions
generally, **6:93 to 6:98**
alternate valuation, **6:98**
forfeitures of property, **6:97**
LLC, estate entitled to deduct theft loss incurred by LLC during settlement of estate, **6:96**
Charitable bequests, deductibility of statutory interest paid on, **6:30**
Charitable deductions
generally, **6:232 et seq.**
**Amount of Charitable Deduction** (this index)
art works, **6:279**
bequest of income interest as qualifying transfers, **6:273 et seq.**
bequests of income and remainder interests as qualifying transfers, **6:252**
charitable nontrust remainder in residence or farm as qualifying transfers
generally, **6:271**
valuation, **6:272**
charitable remainder annuity trust compliance, **6:235**
charitable remainder annuity trust contributions as qualifying transfers, **6:258**
charitable remainder trust contributions as qualifying transfers, **6:257, 6:263**
charitable remainder unitrust contributions as qualifying transfers, **6:260 et seq.**
compromise settlement payments as qualifying transfers, **6:249, 6:250**
contingent or conditional qualifying transfers, **6:251**
contributions to pooled income funds as qualifying transfers
generally, **6:269**
valuation of remainder, **6:270**
copyrighted art works, **6:279**
disclaimer, qualifying as qualifying transfer, **6:248**
disclaimer by noncharitable donee in favor of charity as qualifying transfer, **6:245, 6:246**
disclaimer of waiver of QTIP tax recovery as qualifying transfer, **6:247**
election to take against will as qualifying transfers, **6:254**

**TAXABLE ESTATE—Cont'd**
Charitable deductions—Cont'd
exercise of power of appointment as qualifying transfer, **6:244**
farm, charitable nontrust remainder as qualifying transfers
generally, **6:271**
valuation, **6:272**
foreign charities and governments as qualified recipients and uses, **6:239**
guaranteed annuity income bequest as qualifying transfers, **6:274**
income bequests as qualifying transfers, **6:252**
income interest bequest as qualifying transfers, **6:273 et seq.**
1970 legislation as qualifying transfers, **6:255**
non-qualifying split interest trust as qualifying transfers, **6:277**
nonresidents not citizens, **8:54, 8:55**
nontrust bequest of undivided portion of entire interest as qualifying transfers, **6:278**
passing of interest, what constitutes, **6:256**
payments in compromise settlement as qualifying transfers, **6:249, 6:250**
pooled income fund contributions as qualifying transfers
generally, **6:269**
valuation of remainder, **6:270**
power of appointment releases and exercises as qualifying transfer, **6:244**
private foundations, transfers to, **6:242**
proof requirements, **6:234**
purpose or use requirements, **6:241**
QTIP tax recovery waiver, disclaimer of as qualifying transfer, **6:247**
qualified conservation contributions as qualifying transfers, **6:280**
qualified disclaimer as qualifying transfer, **6:248**
qualified recipients and uses, **6:238 et seq.**
qualifying transfers, **6:243 et seq.**
recipient organization qualifications, **6:240**
**Reformation of Charitable Split Interests** (this index)
release of power of appointment as qualifying transfer, **6:244**
remainder interest bequests as qualifying transfers, **6:252**
residence, charitable nontrust remainder as qualifying transfers
generally, **6:271**
valuation, **6:272**

**TAXABLE ESTATE—Cont'd**
Charitable deductions—Cont'd
settlement payments as qualifying transfers, **6:249, 6:250**
termination, **6:276**
transfers qualifying, **6:243 et seq.**
unitrust income bequest as qualifying transfers, **6:275**
waiver of QTIP tax recovery, disclaimer of as qualifying transfer, **6:247**
what constitutes passing of interest, **6:256**
when transfer made, **6:233**
will contest settlements, **6:236, 6:237, 6:253**
Charitable pledges or subscriptions, deductions for claims against estate, **6:90**
Charitable remainder trusts, terminable interest rule for marital deductions, **6:185 et seq.**
Claims
administering property subject to claims against the estate, time limitation on deductibility
generally, **6:10**
nonclaims property, **6:11**
administration expense deductions, property not subject to claims, **6:15**
administration expense deductions, property subject to claims, **6:14**
IRS guidance on protective claims for refund of estate tax, **6:4**
protective claims for refund of estate tax, IRS guidance, **6:4**
Claims against estate deductibility
generally, **6:50 et seq.**
adequacy of consideration, **6:51 et seq.**
care during lifetime, claims based on, **6:54**
charitable pledges or subscriptions, **6:90**
consideration adequacy, **6:51 et seq.**
consideration passing to other than the decedent, **6:59**
contingent claims, **6:83**
controlled entity, loans from, **6:60**
endorsements issues, **6:84**
enforceability issues, **6:61**
foreign currency, claims expressed in, **6:82**
guarantee issues, **6:84**
loans from controlled entity, **6:60**
Marital obligation deductions, below
medical expenses as income or estate tax deduction, **6:91**
Mortgages and liens claims against estates, deductibility, below
qualified terminable interest property trust claims, **6:92**

**TAXABLE ESTATE—Cont'd**
Claims against estate deductibility—Cont'd
regulations limiting deductible expenses and claims to amounts actually paid, **6:3**
related corporation transactions, **6:58**
related trust transactions, **6:57**
settlement lacking consideration, **6:53**
Tax obligations deductions, below
transactions with related corporation, **6:58**
transactions with related trust, **6:57**
unmatured claims, **6:83**
will bequest in payment for services, **6:56**
Commissions. Executor's commissions deductions, below
Community interest waivers, marital obligation deductibility, **6:74**
Community property, deductibility of expenses in administering, **6:41**
**Computation of Tax** (this index)
Conservation easement exclusion
generally, **6:323 et seq.**
amount of exclusions, **6:329**
basis of the excluded property, **6:330**
calculating the exclusion, **6:324**
debt, treatment of, **6:327**
development rights, retained, treatment of, **6:328**
estate transfers, **6:331**
general requirements, **6:325**
individuals that qualify for the exclusion, **6:326**
qualification requirements, **6:325**
retained development rights, treatment of, **6:328**
treatment of certain debt, **6:327**
treatment of retained development rights, **6:328**
valuation, **6:329**
Consideration adequacy, claims against estate deductions, **6:51 et seq.**
Consideration passing to other than the decedent, claims against estate deductibility, **6:59**
Consistency doctrine, marital deductions, interest passing requirement
generally, **6:108**
mistakes of law, **6:109**
Contingent claims, deductibility, **6:83**
Controlled entity, loans from, claims against estate deductibility, **6:60**
Coordination of qualified family-owned business deduction and applicable exclusion amount, **6:306**
Copyrighted art works, charitable deductions, **6:279**
Court decree, deductions, **6:8**
Court-ordered commissions, executor's commissions deductions, **6:21**

**TAXABLE ESTATE—Cont'd**
Court ordered marital transfers, deductibility, **6:75**
**Credits, Tax** (this index)
Death taxes deductibility
generally, **6:66**
marital deduction reduction, **6:137 et seq.**
Debts
deductions, nonresidents not citizens, **8:57**
reduction of marital deduction by, **6:146**
Decedent grantor trusts, trustees' commissions deductions, **6:23**
Deductions
administering property subject to claims against the estate, time limitation on deductibility
generally, **6:10**
nonclaims property, **6:11**
Administration expense deductions, above
alimony claims, **6:78**
attorneys' fees
generally, **6:7**
forms
generally, **6:24**
nonprobate assets, **6:26**
basic requirements for deductibility, **6:2**
Casualty or theft loss deductions, **6:93**
Charitable deductions, above
Claims against estate deductions, above
community property, expenses in administering, **6:41**
Disclaimers of marital deductions, below
effect of court decree, **6:8**
elections, income tax vs estate tax deductions, **6:48**
estate property, expenses of selling, **6:39**
estimated executor commissions, **6:7**
exact amount of deduction unknown at time of examination of return, **6:5**
excise taxes, **6:40**
Executor's commissions deductions, below
expenses in administering community property, **6:41**
expenses of selling estate property, **6:39**
Family-owned business deductions, below
foreign currency, administration expenses expressed in, **6:46**
funeral expenses
generally, **6:12**
community property states, **6:13**
funeral luncheon, **6:45**
future interest expenses, **6:6**

**TAXABLE ESTATE—Cont'd**
Deductions—Cont'd
income tax deduction or
generally, **6:47**
elections, **6:48**
medical expenses, **6:91**
Interest accruing after death deductibility, below
last illness expenses
generally, **6:12**
community property states, **6:13**
Marital obligation deductions, below
miscellaneous administration expenses, **6:43**
**Nonresidents Not Citizens** (this index)
post-death court ordered gifts made after death, **6:9**
**Qualified Domestic Trusts** (this index)
**Qualified Terminable Interest Property** (this index)
qualified terminable interest property administration expenses, **6:42**
**Reformation of Charitable Split Interests** (this index)
regulations limit deductible expenses and claims to amounts actually paid, **6:3**
selling estate property, expenses of, **6:39**
subsequent events affecting amount of deduction unknown at time of examination of return, **6:5**
Tax obligations deductions, below
time limitation on deductibility, administering property subject to claims against the estate
generally, **6:10**
nonclaims property, **6:11**
trustees' commissions
generally, **6:22**
decedent grantor trusts, **6:23**
two estates, administration expenses involving, **6:25**
unknown amount of deduction at time of examination of return, **6:5**
Deferred estate tax liability, interest accruing after death, deductibility, **6:35**
Delayed income distribution not a disposition of spouse's QTIP income interest, **6:190**
Determinative date, terminable interest rule for marital deductions, **6:156**
Disability clause in QTIP trust, terminable interest rule for marital deductions, **6:173**
Disclaimers of marital deductions
generally, **6:122 et seq.**
case study, **6:123**

**TAXABLE ESTATE—Cont'd**
Disclaimers of marital deductions—Cont'd
decedent dies intestate survived by spouse and multiple intestate beneficiaries, **6:125**
effect, **6:122**
qualified terminable interest property trust disclaimers, **6:124**
Electing QTIP treatment for IRA and trust as IRA beneficiary, terminable interest rule for marital deductions, **6:215**
Elections
family-owned business deductions, **6:309**
income tax vs estate tax deductions, **6:48**
**Qualified Domestic Trusts** (this index)
Election to take against will, marital deduction, **6:120**
Elective share property in which spouse has no beneficial interest, no marital deduction for, **6:121**
Encumbrances, reduction of marital deduction by, **6:146**
Endorsements issues, claims against estate deductibility, **6:84**
Enforceability issues, claims against estate deductibility, **6:61**
Estate equalization clauses, terminable interest rule for marital deductions, **6:161**
Estate property, expenses of selling, deductibility, **6:39**
Estate tax, related company loan to pay, interest accruing after death, deductibility, **6:28**
Estimated executor commissions, deductions, **6:7**
Excess commissions, executor's commissions deductions, **6:18**
Excise taxes, deductibility, **6:40**
Executor's commissions deductions
generally, **6:17**
bequest in lieu of commissions, **6:19**
court-ordered commissions, **6:21**
excess commissions, **6:18**
form, **6:17**
non-probate property, executor commissions on, **6:20**
Expenses in administering community property, deductibility, **6:41**
Expenses of selling estate property, deductibility, **6:39**
Extended estate tax liability, interest accruing after death, deductibility, **6:35**
Family limited partnership assets, marital deduction, **6:151**
Family limited partnership loan, interest accruing after death, deductibility, **6:34**

**TAXABLE ESTATE—Cont'd**
Family-owned business deductions
generally, **6:303 et seq.**
consent of heirs and interested parties, **6:310**
coordination of qualified family-owned business deduction and applicable exclusion amount, **6:306**
coordination of qualified family-owned business deduction and marital deduction, **6:307**
elections, **6:309**
estates to which Section 2057 deduction applies, **6:308 et seq.**
fifty percent liquidity test, **6:311**
heirs, consent and liability of, **6:310**
interested parties, consent and liability of, **6:310**
liability of heirs and interested parties, **6:310**
liquidity test, **6:311**
material participation test, **6:312**
noncompliance with statute, **6:322**
qualified family owned business deduction repeal, **6:302**
qualified family-owned business interests
generally, **6:313**
Section 6166, **6:314**
recapture tax, **6:315 et seq.**
statute, noncompliance with, **6:322**
stock redemptions affecting, **6:321**
2000 and 2001 illustrations, **6:304**
2002 and 2003 illustrations, **6:305**
written agreement elections, **6:309**
Foreign currency, administration expenses expressed in, deductibility, **6:46**
Foreign currency, deductibility of claims expressed in, **6:82**
Forfeitures of property, casualty or theft loss deductions, **6:97**
Forms
attorneys' fees deductions
generally, **6:24**
nonprobate assets, **6:26**
executor's commissions deductions, **6:17**
marital deduction, **6:130**
Funeral expense deductions
generally, **6:12**
community property states, **6:13**
Funeral luncheon, deductibility, **6:45**
Future interest expense deductions, **6:6**
Gift taxes, unpaid, deductibility, **6:67**
Gift taxes paid within three years of death, **6:147**
Guarantee issues, claims against estate deductibility, **6:84**

**TAXABLE ESTATE—Cont'd**
Income restrictions, terminable interest rule for marital deductions, **6:171**
Income taxes. Unpaid income taxes deductibility, below
Incompetency provision in joint trust, terminable interest rule for marital deductions, **6:172**
Interest accruing after death, deductibility
generally, **6:27 et seq.**
borrowed funds to pay estate tax
generally, **6:44**
liquid estate assets available, **6:33**
charitable bequest, statutory interest paid on, **6:30**
claiming the deduction, **6:37**
deferred estate tax liability, **6:35**
Estate of Vincent J. Duncan, Sr. case, **6:31**
estate tax, related company loan to pay, **6:28**
extended estate tax liability, **6:35**
family limited partnership loan, **6:34**
illustrative cases, deductions disallowed, **6:32 et seq.**
loan from related company to pay estate tax, **6:28**
loan from related trust to pay estate taxes, **6:31**
loan to pay estate tax
generally, **6:44**
liquid estate assets available, **6:33**
1997 legislation, **6:36, 6:37**
refundable interest, **6:38**
related company loan to pay estate tax, **6:28**
statutory interest paid on a charitable bequest, **6:30**
when allowed, **6:29**
Interest on claims, deductibility, **6:89**
Interest on federal estate taxes, marital deduction, **6:142**
IRAs qualifying for QTIP treatment, terminable interest rule for marital deductions, **6:214**
IRS guidance on protective claims for refund of estate tax, **6:4**
Joint income tax returns, unpaid income taxes deductibility, **6:70**
Jointly owned property, mortgages and liens claims against estates, deductibility
generally, **6:86**
spousal property, **6:87**
Joint trust, incompetency provision in, terminable interest rule for marital deductions, **6:172**
Joint wills, spouse's interest under, terminable interest rule for marital deductions, **6:158, 6:159**

**TAXABLE ESTATE—Cont'd**
Last illness expense deductions
generally, **6:12**
community property states, **6:13**
Liens. Mortgages and liens claims against estates, deductibility, below
Life estate with power of appointment, terminable interest rule for marital deductions, **6:167, 6:168**
Life insurance with power of appointment, terminable interest rule for marital deductions, **6:166**
Loan from related company to pay estate tax, interest accruing after death, deductibility, **6:28**
Loan from related trust to pay estate taxes, interest deductibility, **6:31**
Loans from controlled entity, claims against estate deductibility, **6:60**
Loan to pay estate tax, interest accruing after death, deductibility
generally, **6:44**
liquid estate assets available, **6:33**
Marital and palimony obligation deductions
generally, **6:72 et seq.**
alimony claims, **6:78**
community interest waivers, **6:74**
court ordered marital transfers, **6:75**
divorce or adjudicated separation, valuation of support rights not followed by, **6:73**
marriage or remarriage contingencies, **6:79**
nontestamentary payment arrangement, **6:77**
palimony litigation, **6:81**
settlement source, **6:76**
valuation of support rights not followed by divorce or adjudicated separation, **6:73**
waivers of community interests, **6:74**
written agreements, **6:80**
Marital deduction
generally, **6:99 et seq.**
annuity payment obligations, **6:148**
apportionment planning, **6:143 et seq.**
art work, interest passing requirement, **6:111**
checklist of requirements, **6:101**
children's trusts funding reductions, **6:149**
consistency doctrine, interest passing requirement
generally, **6:108**
mistakes of law, **6:109**
reduction of unified credit, **6:110**
coordination of qualified family-owned business deduction and marital deduction, **6:307**
death taxes, reduction by, **6:137 et seq.**
debts, reduction by, **6:146**

**TAXABLE ESTATE—Cont'd**
Marital deduction—Cont'd
decedent dying intestate survived by spouse and multiple intestate beneficiaries, **6:125**
definition, interest passing requirement, **6:107**
delayed income distribution not a disposition of spouse's QTIP income interest, **6:190**
Disclaimers of marital deductions, above
effect of disclaimers, **6:122**
election to take against will, **6:120**
elective share property in which spouse has no beneficial interest, no marital deduction for, **6:121**
encumbrances, reduction by, **6:146**
exceptions to terminable interest rule, **6:163 et seq.**
family limited partnership assets, **6:151**
flawed drafting, **6:176, 6:177**
forms, **6:130**
intent of testator, death tax reductions, **6:140, 6:141**
interest on federal estate taxes, **6:142**
interest passing requirement, **6:106 et seq.**
mismatch issue, **6:151**
mistakes of law, **6:109**
mortgages, reduction by, **6:146**
nondeductible interests, **6:126**
nonresidents not citizens, **8:53, 8:57**
one-time exercise, **6:103**
pecuniary bequests, **6:127 et seq.**
proof requirements, **6:102**
**Qualified Domestic Trusts** (this index)
**Qualified Terminable Interest Property** (this index)
qualified terminable interest property trust disclaimers, **6:124**
reduction of unified credit, **6:110**
residue, taxes payable out of, **6:138**
Revenue Procedure 64-19, **6:128**
same-sex marriages, **6:100**
settlements of will contests
generally, **6:114**
case study, **6:116**
qualifying a settlement, **6:115**
reimbursement issues, **6:117**
surrender of spouse's statutory share, **6:146**
survivorship requirement
generally, **6:104**
presumptive survivorship, **6:105**
taxes not taken into account, death tax reductions, **6:139**

**TAXABLE ESTATE—Cont'd**
Marital deduction—Cont'd
Terminable interest rule for marital deductions, below
valuation of property interest passing to surviving spouse, **6:131 et seq.**
Will contests affecting marital deduction, below
Marital estate trusts, terminable interest rule for marital deductions, **6:162**
Marriage or remarriage contingencies, marital obligation deductibility, **6:79**
Medical expenses claims as income or estate tax deduction, **6:91**
Miscellaneous administration expenses, deductibility, **6:43**
Mortgages, reduction of marital deduction by, **6:146**
Mortgages and liens claims against estates, deductibility
generally, **6:85 et seq.**
interest on claims, **6:89**
jointly owned property
generally, **6:86**
spousal property, **6:87**
reverse split-dollar arrangements, **6:88**
Multi-hatted administrators, tax trap, **6:49**
1970 legislation, taxable estate charitable deductions qualifying transfers, **6:255**
1997 legislation, interest accruing after death, deductibility, **6:36, 6:37**
Non-probate property, deductibility of executor commissions on, **6:20**
**Nonresidents Not Citizens** (this index)
Nontestamentary payment arrangement, marital obligation deductibility, **6:77**
Option granted to third party to purchase QTIP property at a bargain price, terminable interest rule for marital deductions, **6:179**
Palimony. Marital obligation deductions, above
Partial interests in property, terminable interest rule for marital deductions, **6:170**
Payment of estate tax, terminable interest rule for marital deductions, **6:207**
Pecuniary bequests, marital deduction, **6:127 et seq.**
Permitted restrictions on power of appointment, terminable interest rule for marital deductions, **6:180**
Post-death events
court ordered gifts made after death, deductions, **6:9**
unpaid income taxes deductibility, **6:69, 6:71**

**TAXABLE ESTATE—Cont'd**
Power of appointments
exercisable in all events, terminable interest rule for marital deductions, **6:178**
in third party, terminable interest rule for marital deductions, **6:181**
life estate with, terminable interest rule for marital deductions, **6:167, 6:168**
life insurance or annuity with, terminable interest rule for marital deductions, **6:166**
Powers to sell, use, encumber, terminate, terminable interest rule for marital deductions, **6:182**
Power to invade as restriction on power of appointment, terminable interest rule for marital deductions, **6:183**
Proof requirements
charitable deductions, **6:234**
marital deductions, **6:102**
Property taxes deductibility, **6:63**
Protective claims for refund of estate tax, IRS guidance, **6:4**
Protective claims for refund of estate tax, IRS guidance on, **6:4**
Protracted administrations, expense deductions, **6:16**
Public use transfer deductions. Charitable deductions, above
**Qualified Domestic Trusts** (this index)
Qualified terminable interest property
administration expenses deductibility, **6:42**
funding date, terminable interest rule for marital deductions, **6:189**
terminable interest rule for marital deductions, **6:188**
trusts
claims deductibility, **6:92**
correction of over-funded trusts, **6:150**
marital deduction disclaimers, **6:124**
**Qualified Terminable Interest Property** (this index)
**Rates, Tax** (this index)
Reduction of unified credit, marital deductions, **6:110**
Refundable interest accruing after death, deductibility, **6:38**
Regulations limit deductible expenses and claims to amounts actually paid, **6:3**
Related company loan to pay estate tax, interest accruing after death, deductibility, **6:28**
Related corporation transactions, claims against estate deductibility, **6:58**

**TAXABLE ESTATE—Cont'd**
Related trust transactions, claims against estate deductibility, **6:57**
Religious use transfer deductions. Charitable deductions, above
Restrictions on right to income, terminable interest rule for marital deductions, **6:171**
Rev. Proc. 64-19, marital deduction, **6:128**
Rev. Proc. 2011-48, **6:4**
Reverse split-dollar arrangements, mortgages and liens claims against estates, deductibility, **6:88**
Right to income restrictions on, terminable interest rule for marital deductions, **6:171**
Same-sex marriages
marital deduction, **6:100**
Marital obligation deductions, above
Scrivener's errors
marital deduction, flawed drafting, **6:176, 6:177**
will contests affecting marital deduction, **6:119**
Selling estate property, deductibility of expenses, **6:39**
Settlement lacking consideration deductibility, **6:53**
Settlements of will contests, marital deduction
generally, **6:114**
case study, **6:116**
qualifying a settlement, **6:115**
reimbursement issues, **6:117**
Settlement source, marital obligation deductibility, **6:76**
Specific portion rule, terminable interest rule for marital deductions, **6:170**
Spouse's interest under joint wills, terminable interest rule for marital deductions, **6:158, 6:159**
State law effects, terminable interest rule for marital deductions, **6:184**
Statutory interest paid on a charitable bequest, deductibility, **6:30**
Subsequent events affecting deduction amounts, **6:5**
Surrender of spouse's statutory share, marital deduction, **6:146**
Surviving spouse's lifetime annuity interest, terminable interest rule for marital deductions, **6:196**
Survivorship exception, terminable interest rule for marital deductions, **6:164, 6:165**
Survivorship requirement, marital deduction
generally, **6:104**
presumptive survivorship, **6:105**
Tainted asset rule, terminable interest rule for marital deductions, **6:157**
Tax obligations deductions
generally, **6:62 et seq.**

**TAXABLE ESTATE—Cont'd**
Tax obligations deductions—Cont'd
death taxes
generally, **6:66**
marital deduction reduction, **6:137 et seq.**
excise taxes, **6:40**
gift taxes, unpaid, **6:67**
property taxes, **6:63**
unpaid gift taxes, **6:67**
Unpaid income taxes deductibility, below
Terminable interest rule for marital deductions
generally, **6:152 et seq.**
administrative powers, **6:174, 6:175**
annuity with power of appointment, **6:166**
charitable remainder trusts, **6:185 et seq.**
Chief Counsel Advisory 200248007, **6:211**
contingent QTIP election, **6:205**
definitions, **6:153**
delayed income distribution not a disposition of spouse's QTIP income interest, **6:190**
determinative date, **6:156**
disability clause, **6:173**
disposition of QTIP, **6:208**
disposition of QTIP and the spendthrift clause, **6:209**
electing QTIP treatment for IRA and trust as IRA beneficiary, **6:215**
elections, **6:199 et seq.**
estate equalization clauses, **6:161**
exceptions, **6:163 et seq.**
flawed drafting, **6:176, 6:177**
income from entire interest or specific portion, **6:169**
income restrictions, **6:171**
incompetency provision in joint trust, **6:172**
IRAs qualifying for QTIP treatment, **6:214**
joint trust, incompetency provision in, **6:172**
joint wills, spouse's interest under, **6:158, 6:159**
Letter Ruling 200407016, **6:212**
life estate with power of appointment, **6:167, 6:168**
life insurance with power of appointment, **6:166**
local law applicable, **6:154, 6:155**
marital estate trusts, **6:162**
option granted to third party to purchase QTIP property at a bargain price, **6:179**
partial interests in property, **6:170**
partial QTIP election, **6:206**
payment of estate tax, **6:207**
permitted restrictions on power of appointment, **6:180**

**TAXABLE ESTATE—Cont'd**
Terminable interest rule for marital deductions —Cont'd
power of appointment, life estate with, **6:167, 6:168**
power of appointment, life insurance or annuity with, **6:166**
power of appointment exercisable in all events, **6:178**
power of appointment in third party, **6:181**
powers to sell, use, encumber, terminate, **6:182**
power to invade as restriction on power of appointment, **6:183**
QTIP elections, **6:199 et seq.**
QTIP elections, wrong calculation, **6:216**
QTIP savings clause, **6:195**
qualified terminable interest property, **6:188**
qualified terminable interest property funding date, **6:189**
qualifying income interest, **6:191 et seq.**
restrictions on right to income, **6:171**
Rev. Proc. 2016-39, **6:210 et seq.**
right to income restrictions on, **6:171**
specific portion rule, **6:170**
spouse's interest under joint wills, **6:158, 6:159**
state law effects, **6:184**
surviving spouse's lifetime annuity interest, **6:196**
survivorship exception, **6:164, 6:165**
tainted asset rule, **6:157**
unnecessary QTIP elections, **6:210 et seq.**
widow's support allowance, **6:160**
wrong calculations in QTIP elections, **6:216**
Theft losses. Casualty or theft loss deductions, above
Three years of death, gift taxes paid within, **6:147**
Transactions with related corporations, claims against estate deductibility, **6:58**
Transactions with related trusts, claims against estate deductibility, **6:57**
Trustees' commissions deductions
generally, **6:22**
decedent grantor trusts, **6:23**
Trusts
decedent grantor trusts, trustees' commissions deductions, **6:23**
qualified terminable interest property trust claims deductibility, **6:92**
Two estates, deductions of administration expenses involving, **6:25**
Unmatured claims, deductibility, **6:83**
Unpaid gift taxes deductibility, **6:67**

**TAXABLE ESTATE—Cont'd**
Unpaid income taxes deductibility
generally, **6:68 et seq.**
joint income tax returns, **6:70**
post-death events, **6:69**
post-death income taxes, **6:71**
Voting and nonvoting stock valued as unitary interest for estate tax purposes, **21:15**
Waivers of community interests, marital obligation deductibility, **6:74**
Widow's support allowance, terminable interest rule for marital deductions, **6:160**
Will bequest in payment for services, claims against estate deductibility, **6:56**
Will contests affecting marital deduction
generally, **6:112 et seq.**
bona fide contest requirement, **6:113**
election to take against will, **6:120**
nonadversary proceeding, **6:118**
scrivener's errors, **6:119**
settlements
generally, **6:114**
case study, **6:116**
qualifying a settlement, **6:115**
reimbursement issues, **6:117**
Written agreements, marital obligation deductibility, **6:80**

**TAX COURT**
Jeopardy assessments, **12:29**
**Refund Claims** (this index)

**TAXPAYERS' REMEDIES**
Generally, **12:59 et seq.**
Abatement of assessments
generally, **12:77**
clerical errors, **12:78**
jeopardy assessments, **12:79**
Administrative costs, **12:87**
Collection appeal rights, **12:80**
Collection appeals program
generally, **12:85**
other appeals, **12:86**
Collection due process
generally, **12:81**
withdrawal of request for collection due process hearing, **12:83**
Declaratory judgments relating to eligibility of estate with respect to Section 6166 installment payments, **10:77, 10:78, 12:90**
Due process, collection
generally, **12:81**

**TAXPAYERS' REMEDIES—Cont'd**
Due process, collection—Cont'd
withdrawal of request for collection due process hearing, **12:83**
Equivalent hearings, **12:84**
Hearing requests
generally, **12:82**
equivalent hearings, **12:84**
withdrawal of request for collection due process hearing, **12:83**
Jeopardy assessments, abatement, **12:79**
Litigation costs, **12:87 et seq.**
**Refund Claims** (this index)
Requesting a hearing
generally, **12:82**
equivalent hearings, **12:84**
withdrawal of request for collection due process hearing, **12:83**
Rights of taxpayers, **12:91**

**TAXPAYERS' RIGHTS**
**Rights of Taxpayers** (this index)

**TAX RATES**
**Rates, Tax** (this index)

**TAX REFUNDS**
**Refund Claims** (this index)

**TAX RETURN PREPARERS**
Filing tax returns, signing and verification, **9:17**
Identification number (PTIN), application and renewal, Form W-12, **App. N**
Penalties
generally, **12:96**
gift tax, **18:49**

**TAX SAVINGS CLAUSES**
Gift valuation, **17:10, 17:11**

**TENANCIES BY THE ENTIRETY**
Gift tax, **14:96**

**TERMINABLE INTEREST RULE**
Estate tax. See **Taxable Estate** (this index)
**Gift Tax** (this index)
**Marital Deduction** (this index)
**Qualified Terminable Interest Property** (this index)

**TERMS FOR YEARS GIFT**
Valuation, **17:145**

**TERRORISM**
Computation of estate tax of victims, **7:15**
Deductible gifts to victims, **16:96**

**TERRORISM—Cont'd**
Estate tax payments, September 11, 2001 terrorist attack, relief for estates affected, **10:85**
**Victims of Terrorism Tax Relief Act of 2001** (this index)

**THEFT LOSSES**
**Taxable Estate** (this index)

**TIMBER**
Fair market value, splitting crops and timber from farmland, **3:67**
Severances, special use valuation, recapture of estate tax, **5:108**

**TIMESHARES**
Fair market value, **3:56**

**TITLE**
Gross estate determinations as to interests held at death, equitable vs legal title, **2:7**

**TOTTEN TRUSTS**
Gross estate determinations, **2:223**

**TRADE FIXTURES**
Gross estate determinations, building classified as a trade fixture excluded from landlord's estate, **2:118**

**TRADE OR BUSINESS USE**
Special use valuation, election requirements, **5:20**

**TRANSACTIONS BETWEEN DECEDENT AND RELATED PARTIES**
Gross estate determinations of interests held at death, **2:9**

**TRANSFER CERTIFICATES**
Collections, nonresidents not citizens, **12:93 et seq.**

**TREATIES**
Generally, **App. M**
Credits, nonresidents not citizens estate tax, **8:62**
Foreign death taxes credit, **7:44**

**TRUMP ACCOUNTS**
Gifts to minor, **16:76**

**TRUST COMPANIES**
Private trust companies, IRS proposed guidance, gross estate determinations of interests held at death, **2:15**

**TRUSTS**
Apocalypse family trusts, gift tax, **14:120**
Asset protection trusts, gift tax, **14:56**
**Asset Protection Trusts** (this index)

**TRUSTS—Cont'd**
Asset protection trust transfers with retained life estates, gross estate determinations, **2:170**
Asset valuation, gift tax, **17:167**
Charitable remainder trusts, terminable interest rule for marital deductions, **6:185 et seq.**
Claims against estate deductibility, related trust transactions, **6:57**
Combining charitable remainder and lead unitrusts for gift tax deduction, **16:112**
Creditor rights, gifts in trust, **14:104**
Cross trusts, right to designate enjoyment of transferred property, gross estate determinations, **2:194 et seq.**
Decanting irrevocable trusts, **1:12**
Decedent-grantor acting as trustee, right to designate enjoyment of transferred property, gross estate determinations, **2:185**
Decedent-grantor trusts, trustees' commissions deductions, **6:23**
Defective life insurance trust, guidance for correcting, **2:52**
Discretion of trustee, shall vs may in gross estate determinations of interests held at death, **2:11**
Distribution committees under scrutiny by IRS, **2:231**
Divisions of trusts, gift tax
generally, **14:111, 14:115**
QTIP trusts, **14:112, 14:113**
Economic reasons, power to terminate trust for, **2:232**
**Gift Tax** (this index)
Gift valuation, **17:145, 17:167**
**Grantor Retained Annuity Trusts** (this index)
**Grantor Retained Unitrusts** (this index)
Grantor's power of substitution over trust's assets, gross estate determinations, **2:257**
Grantor trusts
gift tax, **14:103**
gross estate determinations, transfers with retained life estates, **2:155, 2:156**
transfers with retained life estates, gross estate determinations, **2:169**
Gross estate determinations
grantor trust rules, transfers with retained life estates, **2:155, 2:156**
improperly funded trusts, interests held at death, **2:12**
irrevocable trust modifications and divisions with retained life estates
generally, **2:153**

**TRUSTS—Cont'd**
Gross estate determinations—Cont'd
irrevocable trust modifications and divisions with retained life estates—Cont'd
scrivener's errors, modifications to correct, **2:154**
qualified personal residence trusts, transfers with retained life estates, **2:175**
GST tax exempt trust, adding beneficiaries to trust as gift taxable transfers, **14:161**
Interests in trusts, disclaimers of interests as taxable transfers, gift tax, **14:87 et seq.**
Irrevocable trusts
decanting, **1:12**
modifications and divisions
generally, **2:153**
scrivener's errors, modifications to correct, **2:154**
Joint trust, incompetency provision in, terminable interest rule for marital deductions, **6:172**
Law partner of trustee/beneficiary's spouse as subordinate party, gross estate determinations, **2:184**
Life insurance, avoiding estate inclusion of life insurance owned by trust for benefit of insured/trustee, **2:53**
Life insurance trusts, defective, guidance for correcting, **2:52**
Marital estate trusts, terminable interest rule for marital deductions, **6:162**
May vs shall, trustee's discretion, interests held at death, **2:11**
Mergers of trusts, gift tax, **14:111, 14:115**
Modifications of trusts, gift tax, **14:114**
1997 legislation, gifts from revocable trusts, gross estate determinations, **2:139, 2:140**
Powers of appointment
economic reasons, power to terminate trust for, **2:232**
trust distribution committees under scrutiny by IRS, **2:231**
Power to invade principal limited by external standard, right to designate enjoyment of transferred property, gross estate determinations, **2:190**
**Qualified Domestic Trusts** (this index)
**Qualified Personal Residence Trusts** (this index)
**Qualified Terminable Interest Property** (this index)
Reciprocal trust doctrine tax trap, **2:196**
Reciprocal trusts, right to designate enjoyment of transferred property, gross estate determinations, **2:194 et seq.**

**TRUSTS—Cont'd**
Reformation of, estate freeze transfers in trust, **17:100**
**Reformation of Charitable Split Interests** (this index)
Reformation of charitable split interests to qualify for gift tax charitable gift tax deduction, **16:107**
Reformation of trust to preserve credit shelter, **7:14**
Reformation of trust to qualify as a QDOT, **6:226**
Related trust transactions, claims against estate deductibility, **6:57**
Relinquishment of reserved power, gifts in trust, **14:121**
Replacement of trustee with an independent trustee, gross estate determinations, **2:182**
Retained life estates, annuity trust as conduit to pay income to transferor, **2:151**
Rev. Rul. 2004-64, **14:103**
Revocable trusts, gifts from, gross estate determinations, **2:139, 2:140**
Scrivener's errors, irrevocable trust modifications to correct, **2:154**
**Self-Settled Trusts** (this index)
Shall vs may, discretion of trustee, gross estate determinations of interests held at death, **2:11**
Skip trusts, GST tax, **19:115**
Special use valuation election requirements, **5:11, 5:27, 5:42, 5:43**
Spendthrift trusts, collection of tax, levy against, **12:40**
Split interests. See **Reformation of Charitable Split Interests** (this index)
Taxable estate, trustees' commissions deductions
generally, **6:22**
decedent grantor trusts, **6:23**
Terminable interest rule for marital deductions
charitable remainder trusts, **6:185 et seq.**
joint trust, incompetency provision in, **6:172**
Valuation of assets, gift valuation, **17:145, 17:167**

**TUITION EXPENSES**
Gift tax, tuition expenses exclusions, **16:9 et seq.**

**UNIFORM GIFTS AND UNIFORM TRANSFERS TO MINORS ACTS**
Gift tax exclusions, **16:65, 16:72**

**UNIFORM SIMULTANEOUS DEATH ACT**
**Simultaneous Death** (this index)

**UNITRUSTS**
**Charitable Lead Unitrusts** (this index)
**Charitable Remainder Unitrusts** (this index)

**UNITRUSTS—Cont'd**
Powers of appointment. conversion to unitrust by independent trustee removable by beneficiaries, **14:132**

**UNNECESSARY QTIP ELECTIONS**
Generally, **6:210 to 6:213**

**USE**
**Actual Use** (this index)
**Highest and Best Use** (this index)
**Special Use Valuation** (this index)

**US MILITARY PERSONNEL**
Estate tax computation, **7:15**

**US SAVINGS BONDS**
Fair market value
generally, **3:140**
discounts, **3:309**
Gift taxable transfers, **14:155**
Gift tax marital deduction, savings bonds in donee's name payable to donor on donee's death, terminable interest rule, **16:151**

**VALUATION**
Actuarial tables. See **Fair Market Value** (this index)
Alternate valuation, corporate earnings, undistributed, **4:18**
**Alternate Valuation** (this index)
Amount receivable after death under pre-death right, alternate valuation, **4:24**
Annual indexed amounts, **App. F**
Annuities
alternate valuation
generally, **4:22**
death of surviving annuitant within alternate valuation period, **4:23**
death of surviving annuitant within alternate valuation period, **4:23**
Art, importance of prior and subsequent sales, **3:270**
Assets in trust, gift valuation, **17:167**
Auction sales, estate tax valuation, **3:26, 3:27**
Basis for gift valuation, IRS's obligation to disclose, **17:2**
Book value, real property valuation, **3:49**
Burden of proof
estate tax valuation, **3:2**
shifting to IRS, market valuation discount, **21:14**
Business interests
**Fair Market Value** (this index)
gift valuation, **17:143**

**VALUATION—Cont'd**
Business interests—Cont'd
going concern valuation, **3:143**
Business properties, special use valuation, **5:5**
Buyer's premium, fair market value, **3:11**
Cash versus installment sale, fair market value, **3:9**
Charitable deductions. See **Amount of Charitable Deduction** (this index)
Charitable donation valuations, natural resources interests, **3:97**
Charitable nontrust remainder in residence or farm as qualifying transfers, taxable estate charitable deductions, **6:272**
Charitable remainder trusts, remainders in
generally, **6:265**
terminal illness of life tenant, **6:266**
Classified advertisements, sales through, estate tax valuation, **3:26, 3:27**
**Closely-Held Businesses** (this index)
Combining discounts with special use valuation, **5:28**
Commercial annuities, gift valuation, **17:169 et seq.**
Comparables
sales vs replacement cost, fair market value, **3:24**
special use valuation, formula method of determining special use value, **5:61**
Computation of estate tax, special valuation rules, **7:2**
Conservation easements
estate tax exclusion, **6:329**
gift tax deduction, **16:104, 16:105**
Corporate-owned real estate, special use valuation elections, **5:74**
Corporation property, special use valuation election requirements, **5:27, 5:42**
Credit for estate tax paid on prior transfers, valuation of property transferred
generally, **7:31, 7:32**
date for valuation purposes, **7:33**
Date of valuation
changes in value between purchase date and valuation date, **3:83**
comparable sales after valuation date, real property valuation, **3:79**
death, cash value on date of, **3:10**
determination of date of sale, exchange or other disposition, **4:4**
gross estate determinations, transfers during life, **2:123**
known best use factors at time of death, real property valuation, **3:45**

**VALUATION—Cont'd**
Date of valuation—Cont'd
post-valuation date events estate tax valuation, **3:19**
sale price shortly after valuation date, value based on, **3:14**
Declaratory judgments, gifts valuation disputes
generally, **17:3**
final regulations, **17:4**
Decrease in value limitation, special use valuation, **5:7**
Defects, real property valuation, **3:37**
Depreciable and depletable property, remainder interest in, **17:168**
Disclosure by IRS of basis for gift valuation, **17:2**
Discounts. See **Market Valuation Discounts** (this index)
Distribution, term defined, **4:3**
Dividends, alternate valuation, **4:17**
Divorce or adjudicated separation, valuation of support rights not followed by, **6:73**
Effect of later events on fair market value, estate tax valuation, **3:16, 3:20, 3:21**
Elections
**Alternate Valuation** (this index)
**Special Use Valuation** (this index)
Environmental factors, real property valuation, **3:38**
**Estate Freeze Transfers** (this index)
Estate tax
generally, **1:6, 3:1 et seq.**
auction sales, **3:26, 3:27**
burden of proof, **3:2**
buyer's premium, **3:11**
cash versus installment sale, **3:9**
classified advertisements, sales through, **3:26, 3:27**
date of death cash value, **3:10**
effect of later events on fair market value, **3:20, 3:21**
effect of later events on valuation, **3:16**
**Fair Market Value** (this index)
gift revaluations, **3:18**
gross estate valuation, **3:1**
indeterminable value property
generally, **3:30**
IRS policy when value cannot be determined, **3:32**
liquidation transfers, **3:31**
installment sale versus cash, fair market value, **3:9**
IRS policy when value cannot be determined, **3:32**

**VALUATION—Cont'd**
Estate tax—Cont'd
lapse of powers of appointment, **2:275**
proof required to change valuation reported on return, **3:3**
reported valuation, proof required to change, **3:3**
retained interests in property included in grantor's estate, **2:285**
revaluation of gifts, **3:18**
sales commission, **3:11**
self-canceling installment notes, **2:26**
subsequent land sales, fair market value, **3:22**
transfers taking effect at death, retention of reversionary interest by donor, value of reversionary interest, **2:204**
worthless property, **3:29**
Estate tax paid on prior transfers, credit for, valuation of property transferred
generally, **7:31, 7:32**
date for valuation purposes, **7:33**
Exchange, term defined, **4:3**
Excise tax, effect on gift valuation, **17:5**
**Expert Appraisals** (this index)
**Fair Market Value** (this index)
Farms
charitable nontrust remainder in as qualifying transfers, taxable estate charitable deductions, **6:272**
special use valuation, **5:5**
Finally determined value of gifts, computation, **17:181**
Fractional interests, real property valuation
generally, **3:54**
factor analyses, **3:55 et seq.**
Gifts
generally, **17:1 et seq.**
annuities, **17:154**
assets in trust, **17:167**
basis for valuation, IRS's obligation to disclose, **17:2**
business interests, **17:143**
commercial annuities, **17:169 et seq.**
declaratory judgments
generally, **17:3**
final regulations, **17:4**
depreciable and depletable property, remainder interest in, **17:168**
disclosure by IRS of basis for valuation, **17:2**
discount for present value of donees' obligation to pay contingent estate tax under Section 2035, **17:9**
discount valuations, **18:28**

**VALUATION—Cont'd**
Gifts—Cont'd
**Estate Freeze Transfers** (this index)
excise tax, effect on valuation, **17:5**
exclusions, proof of value, **16:7**
finally determined value, computation, **17:181**
Gifts includible in estate, below
GRUT, retained interest in, **17:162, 17:163**
installment sales contracts, **17:137**
IRS's obligation to disclose basis for valuation, **17:2**
life estates, **17:145**
life insurance, **17:169 et seq.**
miscellaneous property, **17:176**
mortgages, **17:136**
net gift doctrine, **17:6 et seq.**
1989 legislation, **17:154**
noncommercial annuities, **17:145**
notes, **17:144**
post-gift date events affecting valuation, **17:12, 17:13**
post-valuation date events affecting value, **17:177**
private annuity tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
proof of value of gift exclusions, **16:7**
real estate, **17:135 et seq.**
remainder interest in depreciable and depletable property, **17:168**
remainders, **17:145**
retained interest in GRUT, **17:162, 17:163**
revaluations, estate tax valuation, **3:18**
reversions, **17:145**
securities
generally, **17:138**
blockage valuation, **17:142**
closely-held corporations, **17:139, 17:140**
discounted cash flow, **17:140**
family corporations, **17:141**
net asset valuation, **17:140**
support obligation, transfers subject to, **17:164 et seq.**
tax savings clauses, **17:10, 17:11**
terms for years, **17:145**
trust assets, **17:167**
trusts, **17:145**
zeroed out GRATs, **17:159 et seq.**
Gifts includible in estate
revaluation of gifts made after August 5, 1997, **7:24, 7:25**

**VALUATION—Cont'd**
Gifts includible in estate—Cont'd
revaluation of gifts made prior to August 6, 1997, **7:23**
Going concern valuation, **3:143**
GRATs, zeroed out, gift valuation, **17:159 et seq.**
Gross estate valuation
generally, **3:1 et seq**
adjusted value of gross estate, **5:50**
gross estate adjusted value, **5:50**
lapse of powers of appointment, **2:275**
Madoff Ponzi scheme, identity of property to be valued, **2:14, 3:23**
retained interests in property included in grantor's estate, **2:285**
self-canceling installment notes, **2:26**
split purchases under the special valuation rules, **2:130**
transfers during life, valuation date, **2:123**
GRUTs, retained interest in, gift valuation, **17:162, 17:163**
GST property
generally, **19:98**
availability of alternate valuation election, **19:120**
election of alternate valuation, **19:120**
misstatements of valuation, **19:119**
special valuation rules, **19:103**
Highest and best use
real property valuation, **3:41 et seq.**
special use valuation, **5:1**
Income capitalization valuation. See **Fair Market Value** (this index)
Indebtedness deductions, special use valuation property, **5:8**
Indeterminable value property, estate tax valuation
generally, **3:30**
IRS policy when value cannot be determined, **3:32**
liquidation transfers, **3:31**
Installment sales contracts, gift valuation, **17:137**
Installment sale versus cash, estate tax valuation, **3:9**
Interest bearing obligations, alternate valuation, **4:14**
Interest in property requirement, special use valuation elections, **5:73**
IRS policy when value cannot be determined, estate tax valuation, **3:32**
IRS's obligation to disclose basis for gift valuation, **17:2**
Lapse of powers of appointment, estate tax, **2:275**

**VALUATION—Cont'd**
Lapse of time factors, alternate valuation, **4:20 et seq.**
Leased property, alternate valuation, **4:16**
Life estates, gift valuation, **17:145**
**Life Insurance** (this index)
Liquidation transfers of indeterminable value property, estate tax valuation, **3:31**
Madoff Ponzi scheme, identity of property to be valued, **2:14, 3:23**
Marital deduction, valuation of property interest passing to surviving spouse, **6:131 et seq.**
**Market Valuation Discounts** (this index)
Methods, special use valuation, **5:24, 5:54 et seq.**
Misstatements of valuation, GST property, **19:119**
Mortgages, gift valuation, **17:136**
Net gift doctrine, **17:6 et seq.**
1989 legislation, gift valuation, annuities, **17:154**
No ascertainable value property, estate tax valuation, **3:28**
Noncommercial annuities, gift valuation, **17:145**
Noninterest bearing obligations, alternate valuation, **4:15**
Notes, gift valuation, **17:144**
Obligations, interest bearing, alternate valuation, **4:14**
Obligations, noninterest bearing, alternate valuation, **4:15**
Partnership property, special use valuation election requirements, **5:27, 5:42**
Part-time activities, special use valuation, election requirements, **5:38 et seq.**
Physical qualities and defects, real property valuation, **3:37**
Post-death events, alternate valuation, **4:2**
Post-valuation date events affecting value, gift valuation, **17:177**
Post-valuation date events estate tax valuation, fair market value, **3:19**
Power of appointment lapse, estate tax, **2:275**
Pre-death right, amount receivable after death under, alternate valuation, **4:24**
Private annuity tax trap, failure to use IRS tables to value annuity, **17:146 et seq.**
Proof required to change valuation reported on return, estate tax valuation, **3:3**
Property with no ascertainable value, estate tax valuation, **3:28**
**Real Property** (this index)
Recapture of estate tax after special use valuation. **Special Use Valuation** (this index)
Recapture rules, special use valuation, **5:3**

**VALUATION—Cont'd**
Remainders
alternate valuation, **4:21**
charitable remainder trusts
generally, **6:265**
terminal illness of life tenant, **6:266**
depreciable and depletable property, gift valuation, **17:168**
gift valuation, **17:145**
Replacement cost vs comparable sales methods, estate tax valuation, **3:24**
Reported valuation, proof required to change, estate tax valuation, **3:3**
Residence, charitable nontrust remainder in as qualifying transfers, taxable estate charitable deductions, **6:272**
Revaluation of gifts, **3:18, 7:23 to 7:25, 17:180 to 17:182**
Reversions
alternate valuation, **4:21**
gift valuation, **17:145**
Sale, term defined, **4:3**
Sale price shortly after valuation date, value based on, **3:14**
Sales commission, estate tax valuation, **3:11**
Sales of art, importance of prior and subsequent sales, **3:270**
Sales price not reflecting value, securities, **3:102**
Seasonal activities, special use valuation election requirements, **5:38 et seq.**
Securities
generally, **3:98 et seq.**
**Fair Market Value** (this index)
gift valuation
generally, **17:138**
blockage valuation, **17:142**
closely-held corporations, **17:139, 17:140**
discounted cash flow, **17:140**
family corporations, **17:141**
net asset valuation, **17:140**
sales price not reflecting value, **3:102**
Self-canceling installment notes, gross estate determinations, **2:26**
**Special Use Valuation** (this index)
Special valuation rules
Chapter 14, **17:14 et seq.**
computation of estate tax, **7:2**
**Estate Freeze Transfers** (this index)
GST property, **19:103**
Special valuation rules. See **Fair Market Value** (this index)

**VALUATION—Cont'd**
Split purchases under the special valuation rules, **2:130**
Stolen property, **3:15**
Subsequent land sales, fair market value, **3:22**
Support obligation, transfers subject to, **17:164 et seq.**
Support rights not followed by divorce or adjudicated separation, **6:73**
Swing vote valuation, market valuation discount, **21:7, 21:8**
Tables, valuation. See **Fair Market Value** (this index)
Tax savings clauses, gift valuation, **17:10, 17:11**
Terms for years, gift valuation, **17:145**
Transfers during life, valuation date, gross estate determinations, **2:123**
Transfers of property, election requirements, special use valuation, **5:33**
Transfers taking effect at death, valuation of retained reversionary interest by donor, **2:204**
Trust assets, gift valuation, **17:167**
Trust property, special use valuation election requirements, **5:11, 5:27, 5:42, 5:43**
Trusts, gift valuation, **17:145**
Undistributed corporate earnings, alternate valuation, **4:18**
Voting and nonvoting stock valued as unitary interest for estate tax purposes, market valuation discount, **21:15**
Worthless property, estate tax valuation, **3:29**
Zeroed out GRATs, gift valuation, **17:159 et seq.**

**VETERANS ORGANIZATIONS**
Deductible gifts to, **16:94**

**VICTIMS OF TERRORISM TAX RELIEF ACT OF 2001**
Generally, **1:11**

**VIRGIN ISLAND RESIDENTS**
Nonresidents not citizens estate tax, **8:19**

**VISAS**
G-4 visa holders, estate tax, **8:18**

**WAIT AND SEE**
Special use valuation, election requirements, **5:18**

**WAIVERS**
**Assessment** (this index)
Charitable remainder trust election rights, spousal waivers, **6:264**
Collection of tax, waiver of restrictions on assessments, **18:46**

**WAIVERS—Cont'd**
Community interest waivers, marital obligation deductibility, **6:74**
Estate freeze transfers, elections to waive qualified payment treatment, **17:36**
Estate freeze transfer waiver elections, qualified payment treatment, **17:36**
Gift tax, waivers of fiduciary's statutory fees as taxable transfer, **14:152**
Marital obligation deductibility, community interest waivers, **6:74**
QTIP tax recovery waiver, disclaimer of as qualifying transfer, taxable estate charitable deductions, **6:247**
Settlements of estate tax disputes, **11:34**

**WAR VETERANS ORGANIZATIONS**
Deductible gifts to, **16:94**

**WATER RIGHTS**
Special use valuation, recapture of estate tax on water rights transfers, **5:99**

**WILFUL NONCOMPLIANCE WITH TAX LAWS**
**Criminal Penalties** (this index)

**WORKERS' COMPENSATION**
Gross estate determinations, dependents' benefits, **2:97**

**WORKS OF ART**
**Art Works** (this index)

**WRONGFUL DEATH PROCEEDS**
Assignments of wrongful death claims as taxable transfers, **14:160**
Beneficiary of claim, gross estate determinations, **2:95**
Generation-skipping transfer tax, **2:94**
Gift tax, assignments of wrongful death claims as taxable transfers, **14:160**
**Gross Estate Determinations** (this index)
Survivors' loss benefits under no-fault insurance, gross estate determinations, **2:96**

**ZONING ISSUES**
Fair market value, **3:71**