

after Oct. 22, 1986, except as otherwise provided, see section 1433 of Pub. L. 99-514, set out as a note under section 2601 of this title.

**§ 2623. Taxable amount in case of direct skip**

For purposes of this chapter, the taxable amount in the case of a direct skip shall be the value of the property received by the transferee.

(Added Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2721.)

EFFECTIVE DATE

Section applicable to generation-skipping transfers (within the meaning of section 2611 of this title) made after Oct. 22, 1986, except as otherwise provided, see section 1433 of Pub. L. 99-514, set out as a note under section 2601 of this title.

**§ 2624. Valuation**

**(a) General rule**

Except as otherwise provided in this chapter, property shall be valued as of the time of the generation-skipping transfer.

**(b) Alternate valuation and special use valuation elections apply to certain direct skips**

In the case of any direct skip of property which is included in the transferor's gross estate, the value of such property for purposes of this chapter shall be the same as its value for purposes of chapter 11 (determined with regard to sections 2032 and 2032A).

**(c) Alternate valuation election permitted in the case of taxable terminations occurring at death**

If 1 or more taxable terminations with respect to the same trust occur at the same time as and as a result of the death of an individual, an election may be made to value all of the property included in such terminations in accordance with section 2032.

**(d) Reduction for consideration provided by transferee**

For purposes of this chapter, the value of the property transferred shall be reduced by the amount of any consideration provided by the transferee.

(Added Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2721.)

EFFECTIVE DATE

Section applicable to generation-skipping transfers (within the meaning of section 2611 of this title) made after Oct. 22, 1986, except as otherwise provided, see section 1433 of Pub. L. 99-514, set out as a note under section 2601 of this title.

**Subchapter D—GST Exemption**

Sec.	
2631.	GST exemption.
2632.	Special rules for allocation of GST exemption.

**§ 2631. GST exemption**

**(a) General rule**

For purposes of determining the inclusion ratio, every individual shall be allowed a GST exemption amount which may be allocated by such individual (or his executor) to any property

with respect to which such individual is the transferor.

**(b) Allocations irrevocable**

Any allocation under subsection (a), once made, shall be irrevocable.

**(c) GST exemption amount**

For purposes of subsection (a), the GST exemption amount for any calendar year shall be equal to the basic exclusion amount under section 2010(c) for such calendar year.

(Added Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2721; amended Pub. L. 105-34, title V, § 501(d), Aug. 5, 1997, 111 Stat. 846; Pub. L. 105-206, title VI, § 6007(a)(1), July 22, 1998, 112 Stat. 806; Pub. L. 107-16, title V, § 521(c), June 7, 2001, 115 Stat. 72; Pub. L. 111-312, title III, § 303(b)(2), Dec. 17, 2010, 124 Stat. 3303.)

AMENDMENT OF SECTION

*For termination of amendment by section 304 of Pub. L. 111-312, see Effective and Termination Dates of 2010 Amendment note below.*

*For termination of amendment by section 901 of Pub. L. 107-16, see Effective and Termination Dates of 2001 Amendment note below.*

AMENDMENTS

2010—Subsec. (c). Pub. L. 111-312, §§ 303(b)(2), 304, temporarily substituted “the basic exclusion amount” for “the applicable exclusion amount”. See Effective and Termination Dates of 2010 Amendment note below.

2001—Subsec. (a). Pub. L. 107-16, §§ 521(c)(1), 901, temporarily substituted “amount” for “of \$1,000,000”. See Effective and Termination Dates of 2001 Amendment note below.

Subsec. (c). Pub. L. 107-16, §§ 521(c)(2), 901, temporarily amended heading and text of subsec. (c) generally, substituting provisions relating to the GST exemption amount for any calendar year for provisions which related to inflation adjustment of the \$1,000,000 amount contained in subsec. (a) in the case of any calendar year after 1998 and applicability of any increase for any such calendar year. See Effective and Termination Dates of 2001 Amendment note below.

1998—Subsec. (c). Pub. L. 105-206 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “In the case of an individual who dies in any calendar year after 1998, the \$1,000,000 amount contained in subsection (a) shall be increased by an amount equal to—

“(1) \$1,000,000, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 1997’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$10,000, such amount shall be rounded to the next lowest multiple of \$10,000.”

1997—Subsec. (c). Pub. L. 105-34 added subsec. (c).

EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111-312 applicable to generation-skipping transfers after Dec. 31, 2010, see section 303(c)(2) of Pub. L. 111-312, set out as a note under section 2010 of this title.

Section 901 of Pub. L. 107-16 applicable to amendments by section 303(b)(2) of Pub. L. 111-312, see section 304 of Pub. L. 111-312, set out as a note under section 121 of this title.

EFFECTIVE AND TERMINATION DATES OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 applicable to estates of decedents dying, and generation-skipping transfers,