

## EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 effective, except as otherwise provided, as if included in the provision of the Technical and Miscellaneous Revenue Act of 1988, Pub. L. 100-647, to which such amendment relates, see section 7817 of Pub. L. 101-239, set out as a note under section 1 of this title.

## EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

## 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 G—Administration**

Sec.	
2661.	Administration.
2662.	Return requirements.
2663.	Regulations.
[2664.	Repealed.]

## AMENDMENT OF ANALYSIS

*For termination of amendment by section 304 of Pub. L. 111-312, see Effective and Termination Dates of 2010 Amendment note set out under section 121 of this title.*

*For termination of amendment by section 901 of Pub. L. 107-16, see Effective and Termination Dates of 2001 Amendment note set out under section 1 of this title.*

## AMENDMENTS

2010—Pub. L. 111-312, title III, §§301(a), 304, Dec. 17, 2010, 124 Stat. 3300, 3304, temporarily amended analysis to read as if amendment by Pub. L. 107-16, §501(c)(2), had never been enacted. See 2001 Amendment note below.

2001—Pub. L. 107-16, title V, §501(c)(2), title IX, §901, June 7, 2001, 115 Stat. 69, 150, temporarily added item 2664 “Termination”.

**§ 2661. Administration**

Insofar as applicable and not inconsistent with the provisions of this chapter—

(1) except as provided in paragraph (2), all provisions of subtitle F (including penalties) applicable to the gift tax, to chapter 12, or to section 2501, are hereby made applicable in respect of the generation-skipping transfer tax, this chapter, or section 2601, as the case may be, and

(2) in the case of a generation-skipping transfer occurring at the same time as and as a result of the death of an individual, all provisions of subtitle F (including penalties) applicable to the estate tax, to chapter 11, or to section 2001 are hereby made applicable in respect of the generation-skipping transfer tax, this chapter, or section 2601 (as the case may be).

(Added Pub. L. 99-514, title XIV, §1431(a), Oct. 22, 1986, 100 Stat. 2728.)

## 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.

**§ 2662. Return requirements****(a) In general**

The Secretary shall prescribe by regulations the person who is required to make the return with respect to the tax imposed by this chapter and the time by which any such return must be filed. To the extent practicable, such regulations shall provide that—

(1) the person who is required to make such return shall be the person liable under section 2603(a) for payment of such tax, and

(2) the return shall be filed—

(A) in the case of a direct skip (other than from a trust), on or before the date on which an estate or gift tax return is required to be filed with respect to the transfer, and

(B) in all other cases, on or before the 15th day of the 4th month after the close of the taxable year of the person required to make such return in which such transfer occurs.

**(b) Information returns**

The Secretary may by regulations require a return to be filed containing such information as he determines to be necessary for purposes of this chapter.

(Added Pub. L. 99-514, title XIV, §1431(a), Oct. 22, 1986, 100 Stat. 2728.)

## 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.

## EXTENSION OF TIME FOR FILING RETURN

Pub. L. 111-312, title III, §301(d)(2), Dec. 17, 2010, 124 Stat. 3300, provided that: “In the case of any generation-skipping transfer made after December 31, 2009, and before the date of the enactment of this Act [Dec. 17, 2010], the due date for filing any return under section 2662 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) shall not be earlier than the date which is 9 months after the date of the enactment of this Act.”

**§ 2663. Regulations**

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter, including—

(1) such regulations as may be necessary to coordinate the provisions of this chapter with the recapture tax imposed under section 2032A(c),

(2) regulations (consistent with the principles of chapters 11 and 12) providing for the application of this chapter in the case of transferors who are nonresidents not citizens of the United States, and

(3) regulations providing for such adjustments as may be necessary to the application of this chapter in the case of any arrangement which, although not a trust, is treated as a trust under section 2652(b).

(Added Pub. L. 99-514, title XIV, §1431(a), Oct. 22, 1986, 100 Stat. 2729; amended Pub. L. 100-647, title I, §1014(g)(10), Nov. 10, 1988, 102 Stat. 3565.)

## AMENDMENTS

1988—Par. (3). Pub. L. 100-647 added par. (3).

## EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

## 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.

**[§ 2664. Repealed. Pub. L. 111-312, title III, § 301(a), Dec. 17, 2010, 124 Stat. 3300]**

Section, added Pub. L. 107-16, title V, § 501(b), June 7, 2001, 115 Stat. 69, related to termination of applicability of chapter to generation-skipping transfers after Dec. 31, 2009.

## TERMINATION OF REPEAL

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

## TERMINATION OF SECTION

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

## EFFECTIVE AND TERMINATION DATES OF REPEAL

Repeal of section applicable to estates of decedents dying, and transfers made after Dec. 31, 2009, except as otherwise provided, see section 301(e) of Pub. L. 111-312, set out as an Effective and Termination Dates of 2010 Amendment note under section 121 of this title.

Section 901 of Pub. L. 107-16 applicable to repeal by section 301(a) of Pub. L. 111-312, see section 304 of Pub. L. 111-312, set out as an Effective and Termination Dates of 2010 Amendment note under section 121 of this title.

## EFFECTIVE AND TERMINATION DATES

Section applicable to the estates of decedents dying, and generation-skipping transfers, after December 31, 2009, see section 501(d) of Pub. L. 107-16, set out as a note under section 2210 of this title.

Section inapplicable to estates of decedents dying, gifts made, or generation skipping transfers, after Dec. 31, 2012, and the Internal Revenue Code of 1986 to be applied and administered to such estates, gifts, and transfers as if it had never been enacted, see section 901 of Pub. L. 107-16, set out as a note under section 1 of this title.

## CHAPTER 14—SPECIAL VALUATION RULES

Sec.	
2701.	Special valuation rules in case of transfers of certain interests in corporations or partnerships.
2702.	Special valuation rules in case of transfers of interests in trusts.
2703.	Certain rights and restrictions disregarded.
2704.	Treatment of certain lapsing rights and restrictions.

**§ 2701. Special valuation rules in case of transfers of certain interests in corporations or partnerships**

**(a) Valuation rules**

**(1) In general**

Solely for purposes of determining whether a transfer of an interest in a corporation or

partnership to (or for the benefit of) a member of the transferor's family is a gift (and the value of such transfer), the value of any right—

(A) which is described in subparagraph (A) or (B) of subsection (b)(1), and

(B) which is with respect to any applicable retained interest that is held by the transferor or an applicable family member immediately after the transfer,

shall be determined under paragraph (3). This paragraph shall not apply to the transfer of any interest for which market quotations are readily available (as of the date of transfer) on an established securities market.

**(2) Exceptions for marketable retained interests, etc.**

Paragraph (1) shall not apply to any right with respect to an applicable retained interest if—

(A) market quotations are readily available (as of the date of the transfer) for such interest on an established securities market,

(B) such interest is of the same class as the transferred interest, or

(C) such interest is proportionally the same as the transferred interest, without regard to nonlapsing differences in voting power (or, for a partnership, nonlapsing differences with respect to management and limitations on liability).

Subparagraph (C) shall not apply to any interest in a partnership if the transferor or an applicable family member has the right to alter the liability of the transferee of the transferred property. Except as provided by the Secretary, any difference described in subparagraph (C) which lapses by reason of any Federal or State law shall be treated as a nonlapsing difference for purposes of such subparagraph.

**(3) Valuation of rights to which paragraph (1) applies**

**(A) In general**

The value of any right described in paragraph (1), other than a distribution right which consists of a right to receive a qualified payment, shall be treated as being zero.

**(B) Valuation of certain qualified payments**

If—

(i) any applicable retained interest confers a distribution right which consists of the right to a qualified payment, and

(ii) there are 1 or more liquidation, put, call, or conversion rights with respect to such interest,

the value of all such rights shall be determined as if each liquidation, put, call, or conversion right were exercised in the manner resulting in the lowest value being determined for all such rights.

**(C) Valuation of qualified payments where no liquidation, etc. rights**

In the case of an applicable retained interest which is described in subparagraph (B)(i) but not subparagraph (B)(ii), the value of the distribution right shall be determined without regard to this section.