

Revenue Code of 1986 [formerly I.R.C. 1954]) made after June 11, 1976.

“(2) EXCEPTIONS.—The amendments made by this section shall not apply to any generation-skipping transfer—

“(A) under a trust which was irrevocable on June 11, 1976, but only to the extent that the transfer is not made out of corpus added to the trust after June 11, 1976, or

“(B) in the case of a decedent dying before January 1, 1983, pursuant to a will (or revocable trust) which was in existence on June 11, 1976, and was not amended at any time after that date in any respect which will result in the creation of, or increasing the amount of, any generation-skipping transfer.

For purposes of subparagraph (B), if the decedent on June 11, 1976, was under a mental disability to change the disposition of his property, the period set forth in such subparagraph shall not expire before the date which is 2 years after the date on which he first regains his competence to dispose of such property.

“(3) TRUST EQUIVALENTS.—For purposes of paragraph (2), in the case of a trust equivalent within the meaning of subsection (d) of section 2611 of the Internal Revenue Code of 1986, the provisions of such subsection (d) shall apply.”

[Amendment of section 2006(c) of Pub. L. 94-455, set out above, by section 702(n)(1) of Pub. L. 95-600, effective Oct. 4, 1976, see section 702(n)(5) of Pub. L. 95-600, set out as an Effective Date of 1978 Amendment note under section 2613 of this title.]

§ 2602. Amount of tax

The amount of the tax imposed by section 2601 is—

- (1) the taxable amount (determined under subchapter C), multiplied by
- (2) the applicable rate (determined under subchapter E).

(Added Pub. L. 94-455, title XX, § 2006(a), Oct. 4, 1976, 90 Stat. 1879; amended Pub. L. 95-600, title VII, § 702(h)(2), (n)(4), Nov. 6, 1978, 92 Stat. 2931, 2936; Pub. L. 97-34, title IV, § 403(a)(2)(B), Aug. 13, 1981, 95 Stat. 301; Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2718.)

AMENDMENTS

1986—Pub. L. 99-514 amended section generally, substituting provisions that amount of tax imposed by section 2601 is the taxable amount (determined under subchapter C), multiplied by the applicable rate (determined under subchapter E) for former provisions which set out in detail the calculations and formulae for determining amount of tax imposed by section 2601.

1981—Subsec. (c)(5). Pub. L. 97-34 redesignated subpars. (B) and (C) as (A) and (B), respectively, and struck out former subpar. (A) relating to adjustments to marital deduction and providing that if the generation-skipping transfer occurs at the same time as, or within 9 months after, the death of the deemed transferor, for purposes of section 2056, relating to bequests, etc., to surviving spouse, the value of the gross estate of the deemed transferor shall be deemed to be increased by the amount of such transfer.

1978—Subsec. (a)(1)(C). Pub. L. 95-600, § 702(h)(2), inserted “, as modified by section 2001(e)” after “within the meaning of section 2001(b)”.

Subsec. (d)(1)(A). Pub. L. 95-600, § 702(n)(4)(A), inserted “(or at the same time as the death of a beneficiary of the trust assigned to a higher generation than such deemed transferor)” after “such deemed transferor”.

Subsec. (d)(2)(A). Pub. L. 95-600, § 702(n)(4)(B), inserted “(or beneficiary)” after “the deemed transferor”.

EFFECTIVE DATE OF 1986 AMENDMENT

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.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable to estates of decedents dying after Dec. 31, 1981, but inapplicable under certain conditions under will executed before date which is 30 days after Aug. 13, 1981, or under trust created by such date, see section 403(e) of Pub. L. 97-34, set out as a note under section 2056 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by section 702(h)(2) of Pub. L. 95-600 applicable to estates of decedents dying after Dec. 31, 1976, except that such amendment shall not apply to transfers made before Jan. 1, 1977, see section 702(h)(3) of Pub. L. 95-600, set out as a note under section 2001 of this title.

Amendment by section 702(n)(4) of Pub. L. 95-600 effective as if included in this chapter as added by section 2006 of Pub. L. 94-455, see section 702(n)(5) of Pub. L. 95-600, set out as a note under section 2613 of this title.

§ 2603. Liability for tax

(a) Personal liability

(1) Taxable distributions

In the case of a taxable distribution, the tax imposed by section 2601 shall be paid by the transferee.

(2) Taxable termination

In the case of a taxable termination or a direct skip from a trust, the tax shall be paid by the trustee.

(3) Direct skip

In the case of a direct skip (other than a direct skip from a trust), the tax shall be paid by the transferor.

(b) Source of tax

Unless otherwise directed pursuant to the governing instrument by specific reference to the tax imposed by this chapter, the tax imposed by this chapter on a generation-skipping transfer shall be charged to the property constituting such transfer.

(c) Cross reference

For provisions making estate and gift tax provisions with respect to transferee liability, liens, and related matters applicable to the tax imposed by section 2601, see section 2661.

(Added Pub. L. 94-455, title XX, § 2006(a), Oct. 4, 1976, 90 Stat. 1881; amended Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2718.)

AMENDMENTS

1986—Pub. L. 99-514 amended section generally, substituting tax liability provisions consisting of language placing liability, under different circumstances, on the transferee, the trustee, or the transferor, the source of the tax, and a cross reference to section 2661 for former provisions which covered the question of liability for tax with language covering the trustee and the distributee, the limitation on personal liability of the trustee who relied on certain information furnished by the Secretary, the limitation on personal liability of distributee, and the lien on property transferred until the tax was paid in full or became unenforceable by reason of lapse of time.

EFFECTIVE DATE OF 1986 AMENDMENT

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.

[§ 2604. Repealed. Pub. L. 113-295, div. A, title II, § 221(a)(95)(B)(i), Dec. 19, 2014, 128 Stat. 4051]

Section, added Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2718; amended Pub. L. 107-16, title V, § 532(c)(10), June 7, 2001, 115 Stat. 75, related to credit for certain State generation-skipping transfer taxes.

EFFECTIVE DATE OF REPEAL

Repeal effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as an Effective Date of 2014 Amendment note under section 1 of this title.

Subchapter B—Generation-Skipping Transfers

Sec.	
2611.	Generation-skipping transfer defined.
2612.	Taxable termination; taxable distribution; direct skip.
2613.	Skip person and non-skip person defined.

AMENDMENTS

1986—Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2718, substituted “Generation-Skipping Transfers” for “Definitions and Special Rules” in subchapter heading, substituted “Generation-skipping transfer defined” for “Generation-skipping transfer” in item 2611, “Taxable termination; taxable distribution; direct skip” for “Deemed transferor” in item 2612, and “Skip person and non-skip person defined” for “Other definitions” in item 2613, and struck out item 2614 “Special rules”.

§ 2611. Generation-skipping transfer defined

(a) In general

For purposes of this chapter, the term “generation-skipping transfer” means—

- (1) a taxable distribution,
- (2) a taxable termination, and
- (3) a direct skip.

(b) Certain transfers excluded

The term “generation-skipping transfer” does not include—

- (1) any transfer which, if made inter vivos by an individual, would not be treated as a taxable gift by reason of section 2503(e) (relating to exclusion of certain transfers for educational or medical expenses), and
- (2) any transfer to the extent—
 - (A) the property transferred was subject to a prior tax imposed under this chapter,
 - (B) the transferee in the prior transfer was assigned to the same generation as (or a lower generation than) the generation assignment of the transferee in this transfer, and
 - (C) such transfers do not have the effect of avoiding tax under this chapter with respect to any transfer.

(Added Pub. L. 94-455, title XX, § 2006(a), Oct. 4, 1976, 90 Stat. 1882; amended Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2718; Pub. L. 100-647, title I, §§ 1014(g)(1), (2), 1018(u)(43), Nov. 10, 1988, 102 Stat. 3562, 3592.)

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-647, §§ 1014(g)(1), 1018(u)(43), substituted “generation-skipping transfer”

for “generation-skipping transfers” and “means” for “mean”.

Subsec. (b). Pub. L. 100-647, § 1014(g)(2), redesignated pars. (2) and (3) as (1) and (2), respectively, and struck out former par. (1) which read as follows: “any transfer (other than a direct skip) from a trust, to the extent such transfer is subject to a tax imposed by chapter 11 or 12 with respect to a person in the 1st generation below that of the grantor, and”.

1986—Pub. L. 99-514 amended section generally, substituting provisions defining “generation-skipping transfers” and what that term does not include, for former provisions which defined “generation-skipping transfer”, “transfer”, and “generation-skipping trust”, contained provisions to be used in determining the ascertainment of generation, and provided for a generation-skipping trust equivalent.

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 OF 1986 AMENDMENT

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.

§ 2612. Taxable termination; taxable distribution; direct skip

(a) Taxable termination

(1) General rule

For purposes of this chapter, the term “taxable termination” means the termination (by death, lapse of time, release of power, or otherwise) of an interest in property held in a trust unless—

- (A) immediately after such termination, a non-skip person has an interest in such property, or
- (B) at no time after such termination may a distribution (including distributions on termination) be made from such trust to a skip person.

(2) Certain partial terminations treated as taxable

If, upon the termination of an interest in property held in trust by reason of the death of a lineal descendant of the transferor, a specified portion of the trust’s assets are distributed to 1 or more skip persons (or 1 or more trusts for the exclusive benefit of such persons), such termination shall constitute a taxable termination with respect to such portion of the trust property.

(b) Taxable distribution

For purposes of this chapter, the term “taxable distribution” means any distribution from a trust to a skip person (other than a taxable termination or a direct skip).

(c) Direct skip

For purposes of this chapter—

(1) In general

The term “direct skip” means a transfer subject to a tax imposed by chapter 11 or 12 of an interest in property to a skip person.