

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 Repealed.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.