

(2) Certain transfers at death

If property is transferred in a taxable termination which occurs at the same time as and as a result of the death of an individual, the basis of such property shall be adjusted in a manner similar to the manner provided under section 1014(a); except that, if the inclusion ratio with respect to such property is less than 1, any increase or decrease in basis shall be limited by multiplying such increase or decrease (as the case may be) by the inclusion ratio.

(b) Certain trusts treated as separate trusts

For purposes of this chapter—

(1) the portions of a trust attributable to transfers from different transferors shall be treated as separate trusts, and

(2) substantially separate and independent shares of different beneficiaries in a trust shall be treated as separate trusts.

Except as provided in the preceding sentence, nothing in this chapter shall be construed as authorizing a single trust to be treated as 2 or more trusts. For purposes of this subsection, a trust shall be treated as part of an estate during any period that the trust is so treated under section 645.

(c) Disclaimers

For provisions relating to the effect of a qualified disclaimer for purposes of this chapter, see section 2518.

(d) Limitation on personal liability of trustee

A trustee shall not be personally liable for any increase in the tax imposed by section 2601 which is attributable to the fact that—

(1) section 2642(c) (relating to exemption of certain nontaxable gifts) does not apply to a transfer to the trust which was made during the life of the transferor and for which a gift tax return was not filed, or

(2) the inclusion ratio with respect to the trust is greater than the amount of such ratio as computed on the basis of the return on which was made (or was deemed made) an allocation of the GST exemption to property transferred to such trust.

The preceding sentence shall not apply if the trustee has knowledge of facts sufficient reasonably to conclude that a gift tax return was required to be filed or that the inclusion ratio was erroneous.

(Added Pub. L. 99-514, title XIV, § 1431(a), Oct. 22, 1986, 100 Stat. 2727; amended Pub. L. 100-647, title I, § 1014(g)(12), (13), Nov. 10, 1988, 102 Stat. 3565, 3566; Pub. L. 101-239, title VII, § 7811(j)(2), Dec. 19, 1989, 103 Stat. 2411; Pub. L. 105-206, title VI, § 6013(a)(4)(B), July 22, 1998, 112 Stat. 819; Pub. L. 113-295, div. A, title II, § 221(a)(95)(B)(iii), Dec. 19, 2014, 128 Stat. 4051.)

AMENDMENTS

2014—Subsec. (a)(1). Pub. L. 113-295 struck out “(computed without regard to section 2604)” after “section 2601”.

1998—Subsec. (b). Pub. L. 105-206 inserted at end “For purposes of this subsection, a trust shall be treated as part of an estate during any period that the trust is so treated under section 645.”

1989—Subsec. (a)(1). Pub. L. 101-239 inserted at end “The preceding shall be applied after any basis adjustment under section 1015 with respect to the transfer.”

1988—Subsec. (a)(2). Pub. L. 100-647, § 1014(g)(12), inserted “or decrease” after “any increase” and “or decrease (as the case may be)” after “such increase”.

Subsec. (b). Pub. L. 100-647, § 1014(g)(13), substituted “Certain trusts” for “Separate shares” in heading and amended text generally. Prior to amendment, text read as follows: “Substantially separate and independent shares of different beneficiaries in a trust shall be treated as separate trusts.”

EFFECTIVE DATE OF 2014 AMENDMENT

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

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates (see section 1305 of Pub. L. 105-34), see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

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.]

AMENDMENTS

2010—Pub. L. 111-312, title III, § 301(a), Dec. 17, 2010, 124 Stat. 3300, amended analysis to read as if amended 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), June 7, 2001, 115 Stat. 69, 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 pro-