

Subsec. (e). Pub. L. 93-406, §§1031(c)(3), 2002(g)(8), re-designated former subsec. (d) as (e), and inserted reference to section 6652(f) covering provisions relating to penalties for failure to file a return required by this section.

EFFECTIVE DATE OF 2017 AMENDMENT

Pub. L. 115-97, title I, §13520(d), Dec. 22, 2017, 131 Stat. 2151, provided that: “The amendments made by this section [enacting section 6050Y of this title and amending this section and section 6724 of this title] shall apply to—

- “(1) reportable policy sales (as defined in section 6050Y(d)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) after December 31, 2017, and
- “(2) reportable death benefits (as defined in section 6050Y(d)(4) of such Code (as added by subsection (a)) paid after December 31, 2017.”

EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2005, see section 617(f) of Pub. L. 107-16, set out as a note under section 402 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 1455(b)(2), (d)(1) of Pub. L. 104-188 applicable to returns, reports, and other statements the due date for which (determined without regard to extensions) is after Dec. 31, 1996, see section 1455(e) of Pub. L. 104-188, set out as a note under section 408 of this title.

Amendment by section 1602(b)(6) of Pub. L. 104-188 applicable to loans made after Aug. 20, 1996, with exception and provisions relating to certain refinancings, see section 1602(c) of Pub. L. 104-188, set out as an Effective Date of Repeal note under former section 133 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-318 applicable, except as otherwise provided, to distributions after Dec. 31, 1992, see section 522(d) of Pub. L. 102-318, set out as a note under section 401 of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239, applicable, except as otherwise provided, to loans made after July 10, 1989, see section 7301(f) of Pub. L. 101-239, set out as a note under section 133 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 1501(d)(1)(D) of Pub. L. 99-514 applicable to returns the due date for which (determined without regard to extensions) is after Dec. 31, 1986, see section 1501(e) of Pub. L. 99-514, set out as an Effective Date note under section 6721 of this title.

Amendment by section 1848(e)(2) of Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to obligations issued after Dec. 31, 1983, see section 491(f)(1) of Pub. L. 98-369, set out as a note under section 62 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 97-448 effective, except as otherwise provided, as if it had been included in the provision of the Economic Recovery Tax Act of 1981, Pub. L. 97-34, to which such amendment relates, see section 109 of Pub. L. 97-448, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 effective Jan. 1, 1983, see section 334(e) of Pub. L. 97-248, set out as an Effective Date note under section 3405 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable to taxable years beginning after Dec. 31, 1981, see section 311(i)(1) of Pub. L. 97-34, set out as a note under section 219 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1501(b)(9) of Pub. L. 94-455 applicable to taxable years beginning after Dec. 31, 1976, see section 1501(d) of Pub. L. 94-455, set out as a note under section 62 of this title.

EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by section 1031(c)(3) of Pub. L. 93-406 effective Sept. 2, 1974, see section 1034 of Pub. L. 93-406, set out as an Effective Date note under section 6057 of this title.

Amendment by section 2002(g)(8) of Pub. L. 93-406 effective Jan. 1, 1975, see section 2002(i)(2) of Pub. L. 93-406, set out as an Effective Date note under section 4973 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1962, see section 8 of Pub. L. 87-792, set out as a note under section 22 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL

JANUARY 1, 1998

For provisions directing that if any amendments made by subtitle D [§§1401-1465] of title I of Pub. L. 104-188 require an amendment to any plan or annuity contract, such amendment shall not be required to be made before the first day of the first plan year beginning on or after Jan. 1, 1998, see section 1465 of Pub. L. 104-188, set out as a note under section 401 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL

JANUARY 1, 1994

For provisions directing that if any amendments made by subtitle B [§§521-523] of title V of Pub. L. 102-318 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1994, see section 523 of Pub. L. 102-318, set out as a note under section 401 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL

JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

§ 6048. Information with respect to certain foreign trusts

(a) Notice of certain events

(1) General rule

On or before the 90th day (or such later day as the Secretary may prescribe) after any reportable event, the responsible party shall provide written notice of such event to the Secretary in accordance with paragraph (2).

(2) Contents of notice

The notice required by paragraph (1) shall contain such information as the Secretary may prescribe, including—

(A) the amount of money or other property (if any) transferred to the trust in connection with the reportable event, and

(B) the identity of the trust and of each trustee and beneficiary (or class of beneficiaries) of the trust.

(3) Reportable event

For purposes of this subsection—

(A) In general

The term “reportable event” means—

(i) the creation of any foreign trust by a United States person,

(ii) the transfer of any money or property (directly or indirectly) to a foreign trust by a United States person, including a transfer by reason of death, and

(iii) the death of a citizen or resident of the United States if—

(I) the decedent was treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, or

(II) any portion of a foreign trust was included in the gross estate of the decedent.

(B) Exceptions

(i) Fair market value sales

Subparagraph (A)(ii) shall not apply to any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value and the rules of section 679(a)(3) shall apply.

(ii) Deferred compensation and charitable trusts

Subparagraph (A) shall not apply with respect to a trust which is—

(I) described in section 402(b), 404(a)(4), or 404A, or

(II) determined by the Secretary to be described in section 501(c)(3).

(4) Responsible party

For purposes of this subsection, the term “responsible party” means—

(A) the grantor in the case of the creation of an inter vivos trust,

(B) the transferor in the case of a reportable event described in paragraph (3)(A)(ii) other than a transfer by reason of death, and

(C) the executor of the decedent’s estate in any other case.

(b) United States owner of foreign trust

(1) In general

If, at any time during any taxable year of a United States person, such person is treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, such person shall submit such information as the Secretary may prescribe with respect to such trust for such year and shall be responsible to ensure that—

(A) such trust makes a return for such year which sets forth a full and complete ac-

counting of all trust activities and operations for the year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, and

(B) such trust furnishes such information as the Secretary may prescribe to each United States person (i) who is treated as the owner of any portion of such trust or (ii) who receives (directly or indirectly) any distribution from the trust.

(2) Trusts not having United States agent

(A) In general

If the rules of this paragraph apply to any foreign trust, the determination of amounts required to be taken into account with respect to such trust by a United States person under the rules of subpart E of part I of subchapter J of chapter 1 shall be determined by the Secretary.

(B) United States agent required

The rules of this paragraph shall apply to any foreign trust to which paragraph (1) applies unless such trust agrees (in such manner, subject to such conditions, and at such time as the Secretary shall prescribe) to authorize a United States person to act as such trust’s limited agent solely for purposes of applying sections 7602, 7603, and 7604 with respect to—

(i) any request by the Secretary to examine records or produce testimony related to the proper treatment of amounts required to be taken into account under the rules referred to in subparagraph (A), or

(ii) any summons by the Secretary for such records or testimony.

The appearance of persons or production of records by reason of a United States person being such an agent shall not subject such persons or records to legal process for any purpose other than determining the correct treatment under this title of the amounts required to be taken into account under the rules referred to in subparagraph (A). A foreign trust which appoints an agent described in this subparagraph shall not be considered to have an office or a permanent establishment in the United States, or to be engaged in a trade or business in the United States, solely because of the activities of such agent pursuant to this subsection.

(C) Other rules to apply

Rules similar to the rules of paragraphs (2) and (4) of section 6038A(e) shall apply for purposes of this paragraph.

(c) Reporting by United States beneficiaries of foreign trusts

(1) In general

If any United States person receives (directly or indirectly) during any taxable year of such person any distribution from a foreign trust, such person shall make a return with respect to such trust for such year which includes—

(A) the name of such trust,

(B) the aggregate amount of the distributions so received from such trust during such taxable year, and

(C) such other information as the Secretary may prescribe.

(2) Inclusion in income if records not provided

(A) In general

If adequate records are not provided to the Secretary to determine the proper treatment of any distribution from a foreign trust, such distribution shall be treated as an accumulation distribution includible in the gross income of the distributee under chapter 1. To the extent provided in regulations, the preceding sentence shall not apply if the foreign trust elects to be subject to rules similar to the rules of subsection (b)(2)(B).

(B) Application of accumulation distribution rules

For purposes of applying section 668 in a case to which subparagraph (A) applies, the applicable number of years for purposes of section 668(a) shall be $\frac{1}{2}$ of the number of years the trust has been in existence.

(d) Special rules

(1) Determination of whether United States person makes transfer or receives distribution

For purposes of this section, in determining whether a United States person makes a transfer to, or receives a distribution from, a foreign trust, the fact that a portion of such trust is treated as owned by another person under the rules of subpart E of part I of subchapter J of chapter 1 shall be disregarded.

(2) Domestic trusts with foreign activities

To the extent provided in regulations, a trust which is a United States person shall be treated as a foreign trust for purposes of this section and section 6677 if such trust has substantial activities, or holds substantial property, outside the United States.

(3) Time and manner of filing information

Any notice or return required under this section shall be made at such time and in such manner as the Secretary shall prescribe.

(4) Modification of return requirements

The Secretary is authorized to suspend or modify any requirement of this section if the Secretary determines that the United States has no significant tax interest in obtaining the required information.

(5) United States person's return must be consistent with trust return or Secretary notified of inconsistency

Rules similar to the rules of section 6034A(c) shall apply to items reported by a trust under subsection (b)(1)(B) and to United States persons referred to in such subsection.

(Added Pub. L. 87-834, §7(f), Oct. 16, 1962, 76 Stat. 987; amended Pub. L. 94-455, title X, §1013(d)(1), (e)(3), (4), title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1616, 1834; Pub. L. 97-248, title III, §341(b), Sept. 3, 1982, 96 Stat. 635; Pub. L. 104-188, title I, §1901(a), Aug. 20, 1996, 110 Stat. 1904; Pub. L. 105-34, title X, §1027(b), title XVI, §1601(i)(1), Aug. 5, 1997, 111 Stat. 926, 1092; Pub. L. 111-147, title V, §534(a), Mar. 18, 2010, 124 Stat. 114.)

AMENDMENTS

2010—Subsec. (b)(1). Pub. L. 111-147 inserted “shall submit such information as the Secretary may prescribe with respect to such trust for such year and” before “shall be responsible to ensure” in introductory provisions.

1997—Subsec. (b). Pub. L. 105-34, §1601(i)(1), substituted “owner” for “grantor” in heading.

Subsec. (d)(5). Pub. L. 105-34, §1027(b), added par. (5).

1996—Pub. L. 104-188 amended section generally, substituting provisions calling for improved information reporting on foreign trusts for provisions calling for the filing of returns as to foreign trusts, prescribing the form and contents of such returns, and requiring annual returns for foreign trusts with one or more United States beneficiaries.

1982—Subsec. (a). Pub. L. 97-248 inserted “(or on or before such later day as the Secretary may by regulations prescribe)” after “the 90th day”.

1976—Pub. L. 94-455, §1013(e)(4), struck out “creation or transfer to” after “Returns as to” in section catchline.

Subsec. (b). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsecs. (c), (d). Pub. L. 94-455, §1013(d)(1), (e)(3), added subsec. (c), redesignated former subsec. (c) as (d), and in subsec. (d) struck out cross reference to section 643(d) for definition of “foreign trust created by a United States person”.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-147, title V, §534(b), Mar. 18, 2010, 124 Stat. 115, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after the date of the enactment of this Act [Mar. 18, 2010].”

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 1027(b) of Pub. L. 105-34 applicable to returns of beneficiaries and owners filed after Aug. 5, 1997, see section 1027(c) of Pub. L. 105-34, set out as a note under section 6034A of this title.

Amendment by section 1601(i)(1) of Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-188, title I, §1901(d), Aug. 20, 1996, 110 Stat. 1908, provided that:

“(1) REPORTABLE EVENTS.—To the extent related to subsection (a) of section 6048 of the Internal Revenue Code of 1986, as amended by this section, the amendments made by this section [amending this section and sections 6677 and 6724 of this title] shall apply to reportable events (as defined in such section 6048) occurring after the date of the enactment of this Act [Aug. 20, 1996].

“(2) GRANTOR TRUST REPORTING.—To the extent related to subsection (b) of such section 6048, the amendments made by this section shall apply to taxable years of United States persons beginning after December 31, 1995.

“(3) REPORTING BY UNITED STATES BENEFICIARIES.—To the extent related to subsection (c) of such section 6048, the amendments made by this section shall apply to distributions received after the date of the enactment of this Act.”

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 applicable to returns filed after Sept. 3, 1982, see section 341(c) of Pub. L. 97-248, set out as a note under section 6046 of this title.

§ 6049. Returns regarding payments of interest

(a) Requirement of reporting

Every person—