

lineal descendants of the holder of such interest (or to 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.”

Subsec. (c)(2). Pub. L. 100-647, §1014(g)(7), in closing provisions, inserted at end “If any transfer of property to a trust would be a direct skip but for this paragraph, any generation assignment under this paragraph shall apply also for purposes of applying this chapter to transfers from the portion of the trust attributable to such property.”

Subsec. (c)(3). Pub. L. 100-647, §1014(g)(5)(B), added par. (3).

1986—Pub. L. 99-514 amended section generally, substituting provisions covering definition and application of “taxable termination”, “taxable distribution”, and “direct skip” for former provisions which indicated who the “deemed transferor” would be for purposes of this chapter and that, for purposes of determining the person deemed the transferor, a parent related to the grantor of a trust by blood or adoption was to be deemed more closely related than a parent related to a grantor by marriage.

EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-34, title V, §511(c), Aug. 5, 1997, 111 Stat. 861, provided that: “The amendments made by this section [amending this section and section 2651 of this title] shall apply to terminations, distributions, and transfers occurring after December 31, 1997.”

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.

**§ 2613. Skip person and non-skip person defined**

**(a) Skip person**

For purposes of this chapter, the term “skip person” means—

(1) a natural person assigned to a generation which is 2 or more generations below the generation assignment of the transferor, or

(2) a trust—

(A) if all interests in such trust are held by skip persons, or

(B) if—

(i) there is no person holding an interest in such trust, and

(ii) at no time after such transfer may a distribution (including distributions on termination) be made from such trust to a nonskip person.

**(b) Non-skip person**

For purposes of this chapter, the term “nonskip person” means any person who is not a skip person.

(Added Pub. L. 94-455, title XX, §2006(a), Oct. 4, 1976, 90 Stat. 1884; amended Pub. L. 95-600, title VII, §702(n)(2), (3), Nov. 6, 1978, 92 Stat. 2935, 2936; Pub. L. 96-222, title I, §107(a)(2)(B), Apr. 1, 1980, 94 Stat. 222; Pub. L. 99-514, title XIV, §1431(a), Oct. 22, 1986, 100 Stat. 2720; Pub. L. 100-647, title I, §1014(g)(5)(A), Nov. 10, 1988, 102 Stat. 3564.)

AMENDMENTS

1988—Subsec. (a)(1). Pub. L. 100-647 inserted “natural” before “person”.

1986—Pub. L. 99-514 amended section generally, substituting definitions of “skip person” and “non-skip person” for former provisions which defined and applied the terms “taxable distribution”, “taxable termination”, “younger generation beneficiary”, and “related or subordinate trustee”.

1980—Subsec. (e)(2)(A)(i). Pub. L. 96-222, §107(a)(2)(B)(i), inserted “(other than as a potential appointee under a power of appointment held by another)” after “trust”.

Subsec. (e)(2)(B). Pub. L. 96-222, §107(a)(2)(B)(ii), redesignated cls. (iii) to (v) as (iv) to (vi), added cl. (iii), and struck out cl. (vi) which related to an employee of a corporation in which the grantor or any beneficiary of the trust is an executive.

1978—Subsec. (b)(2)(B). Pub. L. 95-600, §702(n)(3), substituted “a present interest and a present power” for “an interest and a power” and “present interest or present power” for “interest or power” wherever appearing.

Subsec. (e). Pub. L. 95-600, §702(n)(2), inserted provisions relating to powers of independent trustees and definition of a related or subordinate trustee.

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.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-222 effective, except as otherwise provided, as if it had been included in the provisions of the Revenue Act of 1978, Pub. L. 95-600, to which such amendment relates, see section 201 of Pub. L. 96-222, set out as a note under section 32 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-600, title VII, §702(n)(5), Nov. 6, 1978, 92 Stat. 2936, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(A) Except as provided in subparagraph (B), the amendments made by this subsection [amending this section, section 2602 of this title, and provisions set out as a note under section 2601 of this title] shall take effect as if included in chapter 13 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] as added by section 2006 of the Tax Reform Act of 1976 [Pub. L. 94-455, title XX, §2006, Oct. 4, 1976, 90 Stat. 1879].

“(B) The amendment made by paragraph (1) [amending provisions set out as a note under section 2601 of this title] shall take effect on October 4, 1976.”

**[§ 2614. Omitted]**

CODIFICATION

Section, added Pub. L. 94-455, title XX, §2006(a), Oct. 4, 1976, 90 Stat. 1887; amended Pub. L. 95-600, title VII, §702(c)(1)(B), Nov. 6, 1978, 92 Stat. 2926; Pub. L. 96-223, title IV, §401(c)(3), Apr. 2, 1980, 94 Stat. 300, related to special rules for generation-skipping transfers, prior to the general revision of this chapter by Pub. L. 99-514, §1431(a).

**Subchapter C—Taxable Amount**

Sec. 2621.

Taxable amount in case of taxable distribution.