

COURSE ASSIGNMENTS PART III

IV. ESTATE TAX

15. PROPERTY OWNED

A. Basic Issues

Code: § 2033

Regs: § 20.2033-1

Text: pp. 313-323

B. Interests at Death

Code: § 2704

Text: pp. 323-328

Problems 1–3, 5 (p. 345). In Problem 2, assume that under state law Taylor’s remainder interest passes to his heirs if Taylor predeceases Christine.

C. Contingent Interests

Text: pp. 328-332

Problem 4 (p. 345)

F. Community Property in Gross Estate

Code: Note § 1014(b)(6)

Text: pp. 343-345

Problem 8 (pp. 345-346)

16. JOINT TENANCIES

A-B. Introduction / Statutory Provisions of Section 2040

Code: §§ 2040; 1014(a), (b)(6).

Text: pp. 347-350

Problem 1 (p. 359)

C. Section 2040(a)

Code: § 2040(a)

Regs: § 20.2040-1

Text: pp. 350-354

Problems 2–4 (p. 359)

D-F. Contributions and Changing Values / Mortgages and Contributions / Simultaneous Deaths of Joint Tenants

Text: pp. 354-357

Problem 5 (p. 359)

G. Unscrambling the Joint Tenancy Omelet

Text: pp. 357-358

H. Community Property

Code: §§ 1014(a)(1), (b)(6)

Text: pp. 358-359

17. LIFE INSURANCE

A. Introduction

Code: §§ 2042, 2206

Regs: §§ 20.2042-1(a), (b)

Text: 361-365 (stop after first paragraph on p. 365)

C. Possession of the Incidents of Ownership

Regs: § 20.2042-1(c)(1)-(4)

Text: pp. 368-376

D. Avoiding Possession of the Incidents of Ownership

Text: pp. 376-386 (pay particular attention to Irrevocable Life Insurance Trusts;
stop after the first three lines at the top of p. 386)

Problems 1, 2, and 7 (pp. 396-397). In Problem 7, would the results be different if Patricia had named herself as the trustee of the trust?

18. RETAINED LIFE ESTATES

A. Background and General Application

Code: §§ 2036, 2207B

Regs: § 20.2036-1(a), (b)(1)(i)

Text: pp. 399-400

B. Section 2036(a)(1) – Retained Life Estates

1. Informal Reservations

Code: § 2036(a)(1)

Text: pp. 400-409

Problem 1 (p. 458)

2. Contingent Retained Life Estates

Code: § 2036(a)(1)

Regs: § 20.2036-1(b)(1)(ii)

Text: pp. 409-410

3. Contingent Retained Life Estates

Text: p. 411 (only read introduction; skip the *Estate of Grace* case); p. 415 (note 1 only; skip note 2 on p. 416)

4. Support of Dependents and Other Beneficial Retentions

Regs: § 20.2036-1(b)(2)

Text: pp. 416-428 (skip PLR 9235032 at the bottom of p. 428 and following Notes)

C. Retention of Beneficial Enjoyment – Section 2036(a)(2)

1. Control Over Timing of Enjoyment

Code: § 2036(a)(2)

Regs: § 20.2036-1(b)(3)

Text: pp. 430-435

Problems 4 & 5 (p. 458)

2. Contingent Retained Powers to Determine Enjoyment

Code: § 2036(a)(2)

Regs: § 20.2036-1(b)(3)

Text: pp. 435-439

3. Power to Remove Trustees

Text: pp. 439-443

Problems 2 & 3 (p. 458)

4. Retention of Voting Control

Code: § 2036(b)

Text: pp. 443-450

5. Retained Power Subject to Standard

Code: § 2036(a)(2)

Text: pp. 450-454

Problems 8 & 9 (pp. 458-459)

D. Amount Includible

Text: pp. 454-455

E. Family Limited Partnerships

Text: pp. 456-457

19. POWERS TO ALTER, AMEND, REVOKE, OR TERMINATE

A. Historical Introduction

Code: §§ 2038(a)(1), (b)

Regs: §§ 20.2038-1(a), (b)

Text: pp. 461-462

B. Breadth of Power

Text: pp. 462-465

C. Joint Powers

Text: pp. 465-467 (skip Employee Death Benefits part and following Notes)

D. Reciprocal Trusts

Text: pp. 471-472

E. Incompetency

Text: pp. 472-477

F. Power Subject to Standard

Text: pp. 477-481

Problem 4 (pp. 489-490)

G. Uniform Transfers to Minors Act

Text: pp. 481-482

Problem 5 (p. 490)

H. Power to Substitute Trustee

Text: pp. 482-483

I. Overlap of Sections 2038 and 2036(a)(2)

Text: pp. 483-485

J. Revocable Trusts

Text: p. 485

K. Power Released within Three Years of Death

Text: pp. 485-486

Problem 1 (p. 489) (this Problem brings together several issues discussed in this Chapter 19)