

COURSE ASSIGNMENTS PART IV

As the end of the semester approaches, the reading assignments may be modified to account for the time remaining.

IV. ESTATE TAX (cont'd)

20. TRANSFERS GEARED TO GRANTOR'S LIFE

Code: Note § 2037

Text: p. 491 only. Due to time constraints, I will only briefly summarize this provision in class (we will omit the Problems and the text details)

22. POWERS OF APPOINTMENT

A. Introduction

Code: § 2041(a)(2) & (3)

Regs: §§ 20.2041-1(a); 20.2041-3(a), (b), (d)(1) & (2)

Text: 533-536

B. What is a Power of Appointment?

Regs: § 20.2041-1(b)

Text: Skip the casebook discussion, but review the Handout, *What is a Power of Appointment?* (on the course website's Handout page)

C. Distinguishing General and Special Powers

Code: § 2041(b)(1)

Regs: §§ 20.2041-1(c)(1)

Text: pp. 542-545

D. Ascertainable Standard

Regs: § 20.2041-1(c)(2)

Text: pp. 545-551

Problems (p. 551)

F. Release and Disclaimer

Text: pp. 555-556

G. Lapse

Code: § 2041(b)(2)

Regs: § 20.2041-3(d)(3) & (4)

Text: pp. 556-558 (skip the “Tax Shelter” part and Problems)

I. Joint Powers

Regs: § 20.2041-3(c)

Text: pp. 564-567

Problems 2 & 3 (p. 568)

23. TRANSFERS WITHIN THREE YEARS OF DEATH

A. Introduction

Code: § 2035(a) & (c)

Text: pp. 569-572

B. “Grossing Up”

Code: § 2035(b); 6324(a)(2)

Text: pp. 572-574 (stop before the *Steinberg* case)

Problem 1 (p. 592)

C. Life Insurance Transfers within Three Years of Death

Text: pp. 580-581

Problems 2 & 3 (p. 592)

25. EXPENSES, DEBTS, CLAIMS, AND STATE DEATH TAXES

A. Deductions in General

Code: §§ 2043(b); 2051; 2053 (omit 2053(d)); 2054

Text: pp. 631-632

B. Rules Applicable to Administration Expenses

Code: §§ 2053 (omit 2053(d)); 2043(b)

Regs: §§ 20.2053-1(a); -1(b)(1)–(2)(ii); -1(d)(1)–(4)(i); -2; -3(a)

Text: pp. 632-633 (stop before the *Hibernia Bank* case)

C. Rules Applicable to Claims

Regs: § 20.2053-4(a)

Text: pp. 637-638 (stop before the *Flandreau* case and omit the Problem)

D. State Death Taxes

Code: §§ 2053(a)

Text: p. 642

26. CHARITABLE BEQUESTS

A. Trends in Charitable Giving

Code: Note § 2055

Text: pp. 643-644 only

27. MARITAL DEDUCTION

A. Introduction

Text: pp. 679-681

B. Requirements for Marital Deduction - Overview

Code: §§ 2056(a)

Regs: § 20-2056(a)-1(a) & (b); 20.2056(a)-2

Text: p. 682

Problem (p. 683)

1. Citizenship Requirement

Code: § 2056(d)(1), (2); 2523(i) (regarding gifts to non-citizen spouses). Note § 2056A

Text: pp. 683-685

2. Part of Gross Estate

Text: p. 685

3. Surviving Spouse

Text: pp. 685 (only the “Legal Status” paragraphs)

5. Nondeductible Terminable Interests

Code: § 2056(b)(1)

Regs: § 20.2056(b)-1

Text: pp. 692-693 (stop at the “Spousal Award” heading)

C. Exceptions to Nondeductible Terminable Interest Rule

1. Survivorship

Code: § 2056(b)(3)

Regs: § 20.2056(b)-3

Text: pp. 697-699 (skip Problems)

2. Life Estate with Power of Appointment

Code: §§ 2056(b)(5) & (10)

Regs: § 20.2056(b)-5(a) (the five requirements)

Text: pp. 699-711 (skip the *Wisely* case and TAM 9147065, as well as the Problem). Because of time limitations, I will summarize only the basic aspects of LEPA trusts in class.

3. Qualified Terminable Interest Property

Code: §§ 2056(b)(7); 2044; 2519; 2207A. Review § 2523(f)

Regs: §§ 20.2056(b)-7(h) (Example 4)

Text: pp. 711 (skip the *Nicholson* case and following Notes); 721-727 (skip TAM 8943005 on pp. 722-723, and stop before the beginning of the PLR at the bottom of p. 727)

Problem: p. 724

D. Use of the Bypass Trust

Code: § 2010(c)

Text: pp. 738-741

Problem: pp. 741-742 (Problem 4 only)

28. ESTATE TAX CREDITS, RETURNS, PAYMENT, AND APPORTIONMENT

Note: We will only cover this if time permits. We will not be doing any of the Problems in this chapter.

A. Credits

1. Unified Credit

Code: § 2010

Text: pp. 743-746; 753-754 (this material summarizes the portability provision of 2010(c); skip the *Sower* case and Problems on pp. 747-753)

2. Credit for Gift Tax

Code: § 2012

Text: p. 755

3. Credit for Tax on Prior Transfers

Code: § 2013

Text: pp. 755-756

B. When a Return is Required

Code: § 6018

Text: p. 756

C. Who Must Pay and When

Code: §§ 2002; 2203; 6075; 6151

Text: pp. 757-760 (skip *First Nat'l Bank of Atlanta* case)