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Third Party Communication: None
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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:B02
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Date:
March 24, 2005

Decedent =

Spouse =

B =

C =

D =

E =

Trust B-1 =

Trust B-2 =

Trust C-1 =

Trust C-2 =

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County =

State =

Year 1 =

Year 2 =

Year 3 =

Dear :

This letter responds to a letter dated June 21, 2004, and subsequent correspondence, submitted on behalf of Trust B-1 and Trust B-2 by their authorized representative, requesting certain rulings under the Internal Revenue Code.

The information submitted states that Decedent died testate in Year 1, prior to both March 1, 1984 and September 25, 1985. Decedent was predeceased by Spouse, who died testate in Year 2. Decedent and Spouse had two children, B and C, both of whom died in Year 3, after September 25, 1985. C was never married and was survived by no descendants. B was married and had two children, D and E, who survived B. D is living and has two adult children. E is living and has three adult children.

Decedent's will created two residuary trusts, one for the benefit of B and B's descendants (Trust B-1) and one for the benefit of C and C's descendants (Trust C-1). In addition, Spouse's will also created two residuary trusts, one for the benefit of B and B's descendants (Trust B-2) and one for the benefit of C and C's descendants (Trust C-2). All four trusts contained substantially similar dispositive provisions. Each trust provides that the income is to be paid in quarterly or more frequent installments to the respective child (B or C) for whom the trust was created. Each trust authorizes the trustee in its sole discretion to encroach upon the principal of the trust in such amounts as may be necessary in its judgment for the benefit of the respective child for whom the trust was established. B and C had the power at any time to direct the trustee to distribute any part of the corpus in their respective trusts to or among Decedent's descendants or spouses of such descendants, in such manner as B or C may direct or appoint. However, the property cannot be appointed to the child, his estate, his creditors or the creditors of his estate.

Item XI A.(4) of Decedent's will governing Trust B-1 provides that on B's death, the property remaining in the trust is to be held by the remaining trustees:

for the use of and in trust for the children of [B], and the income paid to such children during the lifetime of [D] and [E], and upon the death of the survivor of

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my said two grandchildren, above named, the trustee is to hold the property in trust and pay the income to the surviving children of B and the surviving issue of deceased children of B for a period of twenty-one (21) years, at which time the corpus is to be distributed to the beneficiaries then receiving the income in the proportion in which they are entitled to income. The grandchildren of B shall take per stirpes the share of their deceased parent in income and corpus. . . [T]he Trustees shall have an unlimited power of encroachment for all beneficiaries of this trust and may encroach for the benefit of the beneficiaries receiving the income at the time of encroachment.

Item EIGHT(e) of Spouse's will governing Trust B-2 contains a substantially similar provision regarding the disposition of the Trust B-2 corpus on B's death.

Trust C-1 and C-2 contain similar terms for the benefit of C. In addition, these trusts provide that if C has no children at the time of C's death, the corpus of Trust C-1 and Trust C-2 shall be added to Trust B-1 and Trust B-2, respectively, and administered in accordance with the terms of those trusts. Accordingly, upon C's death in Year 3, the corpus of Trust C-1 was added to Trust B-1, and the corpus of Trust C-2 was added to Trust B-2. Thus, at the present time there are two trusts, Trust B-1 and Trust B-2, with substantially identical terms that are each being held for the benefit of B's children, D and E and their descendants.

The Trustee has identified several interpretative issues present under Item XI A.(4) of Decedent's will (Trust B-1) and Item EIGHT(e) of Spouse's will (Trust B-2). Specifically, under these provisions trust income is to be paid to D and E "during the lifetime of D and E" and on the death of the survivor the income is to be paid to the surviving issue of the deceased child for an additional 21 years. However, the provisions also state that the grandchildren of B "shall take per stirpes the share of their deceased parent in income and corpus." Thus, it is unclear whether on the death of the first to die of D and E, the decedent's share of income is to be paid to the survivor of D and E, or to the issue of the decedent, per stirpes. The Trustee also opined that the requirement for a per stirpes distribution on termination of the trust calls into question whether corpus can be distributed disproportionately among the two family lines pursuant to the trustees' encroachment power.

The parties have petitioned the Superior Court (Court) of County, State, to divide Trust B-1 into two identical separate trusts, one for the benefit of D and D's descendants and one for E and E's descendants. Similarly, Trust B-2 will also be divided into two identical separate trusts, one for the benefit of D and D's descendants and one for E and E's descendants. It is represented that the assets of Trust B-1 and Trust B-2 will be divided on a fractional, pro rata basis into equal portions. Thereupon, the two trusts for the primary benefit of D and D's descendants will be merged into one resulting trust (Trust D), and the two trusts for the primary benefit of E and E's

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descendants will be merged into a separate resulting trust (Trust E). The two merged trusts will operate under identical restated trust provisions. Under these restated trust provisions, the interpretative issues discussed above will be eliminated. Specifically, the trustee of each merged trust will pay the net income of the trust, at least quarterly, to D or E, respectively. The trustee is also authorized, at any time or from time to time to pay to D or E, as the case may be, such part or all of the principal as the trustee deems best. On the death of D or E, the respective trust is to be divided into trust shares for D or E's then living descendants, per stirpes. The trustee is to pay all income from a descendant's share quarterly to that descendant and may encroach on principal for the benefit of the descendant that is the current income beneficiary. Each merged trust will terminate upon the expiration of 21 years after the last to die of B's children (D and E).

RULINGS 1 AND 2

Section 2601 imposes a tax on every generation-skipping transfer (GST).

Under § 1433(a) of the Tax Reform Act of 1986, the GST tax is generally applicable to generation-skipping transfers made after October 22, 1986. However, under § 1433(b)(2)(A) of the Tax Reform Act and § 26.2601-1(b)(1)(i) of the Generation-Skipping Transfer Tax Regulations, the tax does not apply to a transfer from a trust if the trust was irrevocable on September 25, 1985, and no addition (actual or constructive) was made to the trust after that date. Under § 26.2601-1(b)(1)(ii), any trust in existence on September 25, 1985, will be considered irrevocable unless the settlor had a power that would have caused inclusion of the trust in his or her gross estate under § 2038 or § 2042 of the Code, if the settlor had died on September 25, 1985. Section 26.2601-1(b)(5)(i) provides that any post-September 25, 1985, addition to a trust made pursuant to an instrument covered by the transition rules contained in §§ 26.2601-1(b)(1)(b), (b)(2) or (b)(3) is not treated as an addition to the trust for purposes of the applying the GST tax effective date rules.

Section 26.2601-1(b)(4) provides rules for determining when a modification, judicial construction, settlement agreement, or trustee action with respect to a trust that is exempt from the generation-skipping transfer tax under § 26.2601-1(b)(1), (b)(2), or (b)(3), will not cause the trust to lose its exempt status. Generally, unless specifically noted otherwise, the rules of § 26.2601-1(b)(4) are applicable only for purposes of determining whether an exempt trust retains its exempt status for generation-skipping transfer tax purposes. The rules do not apply in determining, for example, whether the transaction results in a gift subject to gift tax, or may cause the trust to be included in the gross estate of a beneficiary, or may result in the realization of capital gain for purposes of § 1001.

Section 26.2601-1(b)(4)(i)(C) provides that a judicial construction of a governing instrument to resolve an ambiguity in the terms of the instrument or to correct a

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scrivener's error will not cause an exempt trust to be subject to the GST provisions, if: (1) the judicial action involves a bona fide issue; and (2) the construction is consistent with applicable state law that would be applied by the highest court of the state.

Section 26.2601-1(b)(4)(i)(D) provides that a modification of the governing instrument of an exempt trust (including a trustee distribution, settlement, or construction that does not satisfy § 26.2601-1(b)(4)(i)(A), (B), or (C) of this section) by judicial reformation, or nonjudicial reformation that is valid under applicable state law, will not cause an exempt trust to be subject to the provisions of chapter 13, but only if: 1) the modification does not shift a beneficial interest in the trust to any beneficiary who occupies a lower generation (as defined in § 2651) than the person or persons who held the beneficial interest prior to the modification, and (2) the modification does not extend the time for vesting of any beneficial interest in the trust beyond the period provided for in the original trust. A modification of an exempt trust will result in a shift in a beneficial interest to a lower generation beneficiary if the modification can result in either an increase in the amount of a generation-skipping transfer or the creation of a new generation-skipping transfer. However, a modification that is administrative in nature that only indirectly increases the amount transferred (for example, by lowering administrative costs or income taxes) will not be considered a shift in a beneficial interest in a trust.

Section 26.2601-1(b)(4)(i)(E), Example 5, considers a situation where, prior to September 25, 1985, Grantor established an irrevocable trust for the benefit of Grantor's two children, A and B, and their issue. Under the terms of the trust, the trustee has the discretion to distribute income and principal to A, B, and their issue in such amounts as the trustee deems appropriate. On the death of the last to die of A and B, the trust principal is to be distributed to the living issue of A and B, per stirpes. In 2002, the appropriate local court approved the division of the trust into two equal trusts, one for the benefit of A and A's issue and one for the benefit of B and B's issue. The trust for the benefit of A and A's issue provides that the trustee has the discretion to distribute trust income and principal to A and A's issue in such amounts as the trustee deems appropriate. On A's death, the trust principal is to be distributed equally to A's issue, per stirpes. If A dies with no living descendants, the principal will be added to the trust for B and B's issue. The trust for B and B's issue is identical (except for the beneficiaries), and terminates at B's death at which time the trust principal is to be distributed equally to B's issue, per stirpes. If B dies with no living descendants, principal will be added to the trust for A and A's issue. The example concludes that the division of the trust into two trusts does not shift any beneficial interest in the trust to a beneficiary who occupies a lower generation (as defined in § 2651) than the person or persons who held the beneficial interest prior to the division. In addition, the division does not extend the time for vesting of any beneficial interest in the trust beyond the period provided in the original trust. Therefore, the two partitioned trusts resulting from

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the division will not be subject to the provisions of chapter 13 of the Internal Revenue Code

In § 26.2601-1(b)(4)(i)(E), Example 6, prior to September 25, 1985, the Grantor established an irrevocable trust for Grantor's child and child's issue. Also prior to September 25, 1985, Grantor's spouse established a separate irrevocable trust for the same child and issue. The terms of the spouse's trust and Grantor's trust are identical. In 2002, the appropriate local court approved the merger of the two trusts into one trust to save administrative costs and enhance the management of the investments. The example concludes that the merger of the two trusts does not shift any beneficial interest in the trust to a beneficiary who occupies a lower generation (as defined in § 2651) than the person or persons who held the beneficial interest prior to the merger. In addition, the merger does not extend the time for vesting of any beneficial interest in the trust beyond the period provided for in the original trust. Therefore, the trust that resulted from the merger will not be subject to the provisions of chapter 13.

In the present case, Trust B-1 and Trust B-2 were irrevocable on September 25, 1985, and it is represented that no additions, actual or constructive, have been made to the trusts after that date. In particular, the Year 3 transfers of the Trust C-1 and Trust C-2 corpus to Trust B-1 and Trust B-2, respectively, do not constitute post-September 25, 1985 additions to Trusts B-1 and B-2, since Trust C-1 and Trust C-2 were also irrevocable on September 25, 1985. See § 26.2601-1(b)(5)(i).

The court order construing Item XIA.(4) of Decedent's will and Item EIGHT(e) of Spouse's will is consistent with applicable local law and resolved a bona fide issue regarding the interpretation of the wills.

The division of Trust B-1 and Trust B-2, as construed by Court, will not result in a shift of any beneficial interest in Trust B-1 or B-2 to any beneficiary who occupies a lower generation (as defined in § 2651) than the person or persons holding the beneficial interests prior to the division and merger. In addition, the divided trusts will terminate at the same time as provided in Trust B-1 and B-2. Thus, the proposed division will not extend the time for vesting of any beneficial interest in either trust beyond the period provided for under the original Trust B-1 and Trust B-2. Similarly, the terms of the merged resulting trusts will be the same as the terms of the divided trusts, and the merged trusts will terminate at the same time as provided in the original trust instruments. Therefore, the merger will not result in a shift of any beneficial interest to any beneficiary who occupies a lower generation (as defined in § 2651) than the person or persons holding the beneficial interests prior to the merger.

Based on the facts presented and the representations made, we conclude that Court's construction of Item XIA.(4) of Decedent's will and Item EIGHT(e) of Spouse's will, and the division of Trust B-1 and Trust B-2 and the subsequent mergers of the

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resulting trusts will not affect the status of Trust B-1 or Trust B-2 as exempt from the generation-skipping transfer tax. Further, the proposed divisions and mergers will not cause distributions from or terminations of any interests in Trust B-1 and B-2 or any resulting trusts to be subject to the generation-skipping transfer tax.

RULING 3

Section 643(f) provides that, for purposes of subchapter J of chapter 1 of subtitle A, under regulations prescribed by the Secretary, two or more trusts shall be treated as one trust if (1) such trusts have substantially the same grantor or grantors and substantially the same primary beneficiary or beneficiaries, and (2) a principal purpose of such trusts is the avoidance of the tax imposed by chapter 1.

Section 1806(b) of the Tax Reform Act of 1986 provides that § 643(f) shall apply to taxable years beginning after March 1, 1984; except that, in the case of a trust which was irrevocable on March 1, 1984, it shall apply only to that portion of the trust which is attributable to contributions to corpus after March 1, 1984.

Based solely on the facts and representations submitted, we conclude that as long as Trust D and Trust E are separately managed and administered, they will be treated as separate trusts for federal income tax purposes.

RULING 4

Section 61(a)(3) provides that gross income includes gains derived from dealings in property.

Section 661(a) provides that in any taxable year a deduction is allowed in computing the taxable income of a trust (other than a trust to which subpart B applies), for the sum of (1) the amount of income for such taxable year required to be distributed currently; and (2) any other amounts properly paid or credited or required to be distributed for such taxable year, but such deduction shall not exceed the distributable net income (DNI) of the estate or trust.

Section 1.661(a)-2(f) of the Income Tax Regulations provides that gain or loss is realized by the trust or estate (or the other beneficiaries) by reason of a distribution of property in kind if the distribution is in satisfaction of a right to receive a distribution of a specific dollar amount, of specific property other than that distributed, or of income as defined under § 643(b) and the applicable regulations, if income is required to be distributed currently.

Section 662(a) provides that there shall be included in the gross income of a beneficiary to whom an amount specified in § 661(a) is paid, credited, or required to be

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distributed (by an estate or trust described in § 661), the sum of the following amounts: (1) the amount of income for the taxable year required to be distributed currently to such beneficiary, whether distributed or not; and (2) all other amounts properly paid, credited, or required to be distributed to such beneficiary for the taxable year. If the sum of (A) the amount of income for the taxable year required to be distributed currently to all beneficiaries, and (B) all other amounts properly paid, credited, or required to be distributed to all beneficiaries exceeds the DNI of the estate or trust, then, in lieu of the amount provided in the preceding sentence, there shall be included in the gross income of the beneficiary an amount which bears the same ratio to DNI (reduced by the amounts specified in (A)) as the other amounts properly paid, credited, or required to be distributed to the beneficiary bear to the other amounts properly paid, credited, or required to be distributed to all beneficiaries.

Section 1001(a) provides that the gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in § 1011 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.

Section 1.1001-1(a) provides that except as otherwise provided in subtitle A, the gain or loss realized from the exchange of property for other property differing materially either in kind or in extent, is treated as income or as loss sustained.

A partition of jointly owned property is not a sale or other disposition of property where the co-owners of the joint property sever their joint interests, but do not acquire a new or additional interest as a result thereof. Thus, neither gain nor loss is realized on a partition. See Rev. Rul. 56-437, 1956-2 C.B. 507.

In Rev. Rul. 69-486, 1969-2 C.B. 159, *distinguished* by Rev. Rul. 83-61, 1983-1 C.B. 78, a non-pro rata distribution of trust property was made in kind by the trustee, although the trust instrument and local law did not convey authority to the trustee to make a non-pro rata distribution of property in kind. The distribution was effected as a result of a mutual agreement between the trustee and the beneficiaries. Because neither the trust instrument nor local law conveyed authority to the trustee to make a non-pro rata distribution, Rev. Rul. 69-486 held that the transaction was equivalent to a pro rata distribution followed by an exchange between the beneficiaries, and was subject to the provisions of §§ 1001 and 1002.

The present case is distinguishable from Rev. Rul. 69-486 because it has been represented that the assets of the two initial trusts will be allocated according to their respective interests evenly among the four intermediary and two resulting, merged trusts. The assets of the original trusts will be divided fractionally and transferred to the intermediary and resulting trusts in accordance with the respective fractional interest of each of the resulting trusts. Each asset may not be transferred strictly pro rata, but the

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assets selected for each trust will be fairly representative of the appreciation, depreciation, and tax bases of the assets available for distribution. Accordingly, the proposed transaction will not be treated as a pro rata distribution followed by an exchange of assets among the beneficiaries of any of the subject trusts.

Cottage Savings Ass'n v. Commissioner, 499 U.S. 554 (1991), concerns the issue of when a sale or exchange has taken place that results in realization of gain or loss under § 1001. In Cottage Savings, a financial institution exchanged its interests in one group of residential mortgage loans for another lender's interests in a different group of residential mortgage loans. The two groups of mortgages were considered "substantially identical" by the agency that regulated the financial institution.

The Supreme Court in Cottage Savings concluded that § 1.1001-1 reasonably interprets § 1001(a), and stated that an exchange of property gives rise to a realization event under § 1001 if the properties exchanged are "materially different."

In defining what constitutes a "material difference" for purposes of § 1001(a), the Court stated that properties are "different" in the sense that is "material" so long as their respective possessors enjoy legal entitlements that are different in kind or extent. Cottage Savings, at 564-65. In Cottage Savings, the Court held that mortgage loans made to different obligors and secured by different homes did embody distinct legal entitlements, and that the taxpayer realized losses when it exchanged interests in the loans.

It is consistent with the Supreme Court's opinion in Cottage Savings to find that the interests of the beneficiaries of the four intermediary and two resulting, merged trusts will not differ materially from their interests in the original trusts. The proposed transaction will not change the interests of the beneficiaries. Instead, the beneficiaries will be entitled to the same benefits after the proposed transaction as before. The proposed transaction is similar to the kinds of transactions discussed in Rev. Rul. 56-437, since the original trusts are to be divided, but all other provisions of the trusts will remain substantially identical. Thus, the proposed transaction will not result in a material difference in the kind or extent of the legal entitlements enjoyed by any trust beneficiary.

Based upon the facts submitted and the representations made, and assuming the transaction is effectuated substantially as described, we conclude that the proposed divisions of the assets of the trusts created under the wills of Decedent and Spouse and the subsequent mergers of the resulting trusts will not constitute a distribution under § 661 or § 1.661(a)-2(f) or a sale or other taxable disposition of the assets of any of the trusts under § 1001. Thus, the proposed divisions and mergers will not result in the realization by Trust B-1 and Trust B-2, the four intermediary trusts resulting from the

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divisions of these trusts, or Trust D and Trust E, or by any beneficiary of any of these described trusts, of any income, gain or loss under §§ 61, 662 or 1001.

RULING 5

Section 1015(b) provides that if property is acquired by a transfer in trust (other than a transfer in trust by a gift, bequest, or devise), the basis shall be the same as it would be in the hands of the grantor increased in the amount of gain or decreased in the amount of loss recognized to the grantor on such transfer.

Section 1.1015-2(a)(1) provides that in the case of property acquired after December 31, 1920, by transfer in trust (other than by transfer in trust by gift, bequest, or devise) the basis of property so acquired is the same as it would be in the hands of the grantor increased by the amount of gain or decreased in the amount of loss recognized to the grantor on the transfer under the law applicable to the year in which the transfer was made. If the taxpayer acquired the property by transfer in trust, this basis applies whether the property be in the hands of the trustee, or the beneficiary, and whether acquired prior to termination of the trust and distribution of the property, or thereafter.

Based solely on the facts and representations submitted, we conclude that because § 1001 does not apply to the proposed trust divisions and mergers, under § 1015, the tax basis of the assets of Trust D and Trust E will be the same as the tax basis of Trust B-1 and Trust B-2 in such assets.

RULING 6

Section 1223(2) of the Code provides that:

[i]n determining the period for which the taxpayer has held property however acquired there shall be included the period for which such property was held by any other person, if under this chapter such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

Inasmuch as we have determined that the basis of the assets transferred from Trust B-1 and Trust B-2 upon division will carry over under § 1015 to the four divided resulting trusts, and then to Trust D and Trust E, we conclude that the holding periods for all assets allocated to the four trusts resulting from the division of Trust B-1 and Trust B-2 and ultimately held by Trust D and Trust E will continue to be the same as the

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holding period for the assets in Trust B-1 and Trust B-2 immediately before the division and merger under § 1223 of the Internal Revenue Code.

RULING 7

Section 2036 provides that the value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (1) the possession or enjoyment of, or the right to the income from, the property, or (2) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom.

Section 2037 provides that the value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in the case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, if (1) possession or enjoyment of the property can, through ownership of such interest, be obtained only by surviving the decedent, and (2) the decedent has retained a reversionary interest in the property, and the value of such reversionary interest immediately before the death of the decedent exceeds five percent of the value of such property.

Section 2038(a)(1) provides that the value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in the case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power (in whatever capacity exercisable) by the decedent alone or by the decedent in conjunction with any other person (without regard to when or from what source the decedent acquired such power), to alter, amend, revoke, or terminate, or where any such power is relinquished during the 3-year period ending on the date of the decedent's death.

In order for §§ 2036-2038 to apply, the decedent must have made a transfer of property of any interest therein (except in the case of a bona fide sale for adequate and full consideration in money or money's worth) under which the decedent retained an interest in, or power over, the income or corpus of the transferred property.

In the present case, the proposed division and merger of trusts does not constitute a transfer within the meaning of §§ 2036-2038. The beneficiaries of the

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resulting trusts will have the same interest after the division and merger as they had prior to the division and merger. We therefore conclude that the proposed division of Trust B-1 or B-2 and merger of the resulting trusts will not cause the interest of any beneficiary of Trust B-1 or B-2 or the resulting trusts to be includible in the beneficiary's gross estate under §§ 2036-2038.

RULING 8

Section 2501(a)(1) imposes a tax for each calendar year on the transfer of property by gift during such calendar year by any individual, resident or nonresident.

Section 2511(a) provides that subject to the limitations contained in the gift tax chapter, the gift tax imposed by § 2501 will apply whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible.

Section 2512(a) provides that, if a gift is made in property, the value thereof at the date of the gift will be considered the amount of the gift. Section 2512(b) states that where property is transferred for less than adequate and full consideration in money or money's worth, the amount by which the value of the property exceeds the value of the consideration received shall be deemed a gift.

In this case, the beneficiaries of the resulting trusts will have the same interests after the proposed division and merger that they had under Trust B-1 and Trust B-2 prior to the division and merger. Because the beneficial interests, rights, and expectancies of the beneficiaries are substantially similar, both before and after the proposed transaction, no transfer of property will be deemed to occur as a result of the division and merger. Accordingly, we conclude that the division of Trusts B-1 and B-2 as proposed, the merger of the resulting trusts and the allocation of assets among the resulting trusts as proposed is not a transfer, direct or indirect, of property that will be subject to the gift tax imposed by § 2501.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of the facts described above under any other provision of the Code.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to the authorized representative of Trust B-1 and Trust B-2.

Sincerely,

J. THOMAS HINES
Chief, Branch 2
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures: 2
Copy of this letter
Copy for § 6110 purposes