

## § 20.2031-9

(b) *Valuation of shares in an open-end investment company.* (1) The fair market value of a share in an open-end investment company (commonly known as a “mutual fund”) is the public redemption price of a share. In the absence of an affirmative showing of the public redemption price in effect at the time of death, the last public redemption price quoted by the company for the date of death shall be presumed to be the applicable public redemption price. If the alternate valuation method under 2032 is elected, the last public redemption price quoted by the company for the alternate valuation date shall be the applicable redemption price. If there is no public redemption price quoted by the company for the applicable valuation date (e.g., the valuation date is a Saturday, Sunday, or holiday), the fair market value of the mutual fund share is the last public redemption price quoted by the company for the first day preceding the applicable valuation date for which there is a quotation. In any case where a dividend is declared on a share in an open-end investment company before the decedent’s death but payable to shareholders of record on a date after his death and the share is quoted “exdividend” on the date of the decedent’s death, the amount of the dividend is added to the ex-dividend quotation in determining the fair market value of the share as of the date of the decedent’s death. As used in this paragraph, the term “open-end investment company” includes only a company which on the applicable valuation date was engaged in offering its shares to the public in the capacity of an open-end investment company.

(2) The provisions of this paragraph shall apply with respect to estates of decedents dying after August 16, 1954.

[T.D. 6680, 28 FR 10872, Oct. 10, 1963, as amended by T.D. 7319, 39 FR 26723, July 23, 1974]

## § 20.2031-9 Valuation of other property.

The valuation of any property not specifically described in §§ 20.2031-2 to 20.2031-8 is made in accordance with the general principles set forth in § 20.2031-1. For example, a future interest in property not subject to valuation in accordance with the actuarial prin-

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ciples set forth in § 20.2031-7 is to be valued in accordance with the general principles set forth in § 20.2031-1.

## § 20.2032-1 Alternate valuation.

(a) *In general.* In general, section 2032 provides for the valuation of a decedent’s gross estate at a date other than the date of the decedent’s death. More specifically, if an executor elects the alternate valuation method under section 2032, the property included in the decedent’s gross estate on the date of his death is valued as of whichever of the following dates is applicable:

(1) Any property distributed, sold, exchanged, or otherwise disposed of within 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent’s death is valued as of the date on which it is first distributed, sold, exchanged, or otherwise disposed of;

(2) Any property not distributed, sold, exchanged, or otherwise disposed of within 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent’s death is valued as of the date 6 months (1 year, if the decedent died on or before December 31, 1970) after the date of the decedent’s death;

(3) Any property, interest, or estate which is affected by mere lapse of time is valued as of the date of the decedent’s death, but adjusted for any difference in its value not due to mere lapse of time as of the date 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent’s death, or as of the date of its distribution, sale, exchange, or other disposition, whichever date first occurs.

(b) *Method and effect of election.*—(1) *In general.* The election to use the alternate valuation method is made on the return of tax imposed by section 2001. For purposes of this paragraph (b), the term *return of tax imposed by section 2001* means the last estate tax return filed by the executor on or before the due date of the return (including extensions of time to file actually granted) or, if a timely return is not filed, the first estate tax return filed by the executor after the due date, provided the return is filed no later than 1 year after the due date (including extensions of time to file actually granted).