

## § 25.6302-1

contained in part 301 of this chapter (Regulations on Procedure and Administration).

[T.D. 6600, 27 FR 4987, May 29, 1962]

### § 25.6302-1 Voluntary payments of gift taxes by electronic funds transfer.

Any person may voluntarily remit by electronic funds transfer any payment of tax to which this part 25 applies. Such payment must be made in accordance with procedures prescribed by the Commissioner.

[T.D. 8828, 64 FR 37676, July 13, 1999]

### § 25.6321-1 Lien for taxes.

For regulations concerning the lien for taxes, see § 301.6321-1 of this chapter (Regulations on Procedure and Administration).

### § 25.6323-1 Validity and priority against certain persons.

For regulations concerning the validity of the lien imposed by section 6321 against certain persons, see §§ 301.6323(a)-1 through 301.6323(i)-1 of this chapter (Regulations on Procedure and Administration).

[T.D. 7429, 41 FR 35498, Aug. 23, 1976]

### § 25.6324-1 Special lien for gift tax.

For regulations concerning the special lien for the gift tax, see § 301.6324-1 of this chapter (Regulations on Procedure and Administration).

### § 25.6601-1 Interest on underpayment, nonpayment, or extensions of time for payment, of tax.

For regulations concerning interest on underpayment, nonpayment, or extensions of time for payment of tax, see § 301.6601-1 of this chapter (Regulations on Procedure and Administration).

### § 25.6905-1 Discharge of executor from personal liability for decedent's income and gift taxes.

For regulations concerning the discharge of an executor from personal liability for a decedent's income and gift taxes, see § 301.6905-1 of this chapter (Regulations on Procedure and Administration).

[T.D. 7238, 37 FR 28738, Dec. 29, 1972]

## 26 CFR Ch. I (4-1-08 Edition)

### § 25.7101-1 Form of bonds.

For provisions relating to form of bonds, see the regulations under section 7101 contained in part 301 of this chapter (Regulations on Procedure and Administration).

[T.D. 6600, 27 FR 4987, May 29, 1962]

### GENERAL ACTUARIAL VALUATIONS

SOURCE: Sections 25.7520-1 through 25.7520-4 appear at T.D. 8540, 59 FR 30177, June 10, 1994, unless otherwise noted.

### § 25.7520-1 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

(a) *General actuarial valuations.* (1) Except as otherwise provided in this section and in § 25.7520-3(b) (relating to exceptions to the use of prescribed tables under certain circumstances), in the case of gifts made after April 30, 1989, the fair market value of annuities, interests for life or for a term of years (including unitrust interests), remainders, and reversions is their present value determined under this section. See § 20.2031-7(d) (and, for certain prior periods, § 20.2031-7A) of this chapter, Estate Tax Regulations, for the computation of the value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions, other than interests described in paragraphs (a)(2) and (a)(3) of this section.

(2) In the case of a gift to a beneficiary of a pooled income fund after April 30, 1999, see § 1.642(c)-6(e) (or, for certain prior periods, § 1.642(c)-6A) of this chapter (Income Tax Regulations) with respect to the valuation of the remainder interest.

(3) In the case of a gift to a beneficiary of a charitable remainder annuity trust after April 30, 1989, see § 1.664-2 of this chapter with respect to the valuation of the remainder interest. See § 1.664-4 of this chapter (Income Tax Regulations) with respect to the valuation of the remainder interest in property transferred to a charitable remainder unitrust.

(b) *Components of valuation*—(1) *Interest rate component*—(i) *Section 7520 Interest rate.* The section 7520 interest rate is the rate of return, rounded to the

nearest two-tenths of one percent, that is equal to 120 percent of the applicable Federal mid-term rate, compounded annually, for purposes of section 1274(d)(1), for the month in which the valuation date falls. In rounding the rate to the nearest two-tenths of a percent, any rate that is midway between one two-tenths of a percent and another is rounded up to the higher of those two rates. For example, if 120 percent of the applicable Federal mid-term rate is 10.30, the section 7520 interest rate component is 10.4. The section 7520 interest rate is published monthly by the Internal Revenue Service in the Internal Revenue Bulletin (See § 601.601(d)(2)(ii)(b) of this chapter).

(ii) *Valuation date.* Generally, the valuation date is the date on which the gift is made. For gift tax purposes, the valuation date is the date on which the gift is complete under § 25.2511-2. For special rules in the case of charitable transfers, see § 25.7520-2.

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States Census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the mortality component tables will be published in the regulations at that time. For gifts with valuation dates after April 30, 1999, the mortality component table (Table 90CM) is included in § 20.2031-7(d)(7) of this chapter. See § 20.2031-7A of this chapter for mortality component tables applicable to decedent's estates with valuation dates before May 1, 1999.

(c) *Tables.* The present value on the valuation date of an annuity, life estate, term of years, remainder, or reversion is computed by using the section 7520 interest rate component that is described in paragraph (b)(1) of this section and the mortality component that is described in paragraph (b)(2) of this section. Actuarial factors for determining these present values are included in tables in these regulations and in publications by the Internal Revenue Service. If a special factor is required in order to value an interest, the Internal Revenue Service will furnish the factor upon a request for a rul-

ing. The request for a ruling must be accompanied by a recitation of the facts, including the date of birth for each measuring life and copies of relevant instruments. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see Rev. Proc. 94-1, 1994-1 I.R.B. 10, and subsequent updates, and §§ 601.201 and 601.601(d)(2)(ii)(b) of this chapter) and include payment of the required user fee.

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent for valuation dates after April 30, 1999.* Section 1.642(c)-6(e)(6) of this chapter contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in § 1.642(c)-5 of this chapter. See § 1.642(c)-6A for single life remainder factors applicable to valuation dates before May 1, 1999. Section 1.664-4(e)(6) of this chapter contains Table F (payout factors) and Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years). Section 1.664-4(e)(7) of this chapter contains Table U(1) (unitrust single life remainder factors). These tables are used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in § 1.664-3 of this chapter. See § 1.664-4A for unitrust single life remainder factors applicable to valuation dates before May 1, 1999. Section 20.2031-7(d)(6) of this chapter contains Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), Table J (term certain annuity beginning-of-interval adjustment factors). Section 20.2031-7(d)(7) of this chapter contains Table S (single life remainder factors) and Table 90CM (mortality components). These tables are used in determining the present value of annuities, life estates, remainders, and reversions. See § 20.2031-7A of this chapter for single life remainder factors and mortality components applicable to valuation dates before May 1, 1999.

(2) *Internal Revenue Service publications containing tables with interest rates*

between 2.2 and 22 percent for valuation dates after April 30, 1999. The following documents are available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in § 1.664-2 of this chapter and a pooled income fund as defined in § 1.642(c)-5 of this chapter. See § 25-2512-5A for publications containing tables for valuation dates before May 1, 1999.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Book Beth," (7-1999). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in § 1.664-3 of this chapter. See § 1.664-4A of this chapter for publications containing tables for valuation dates before May 1, 1999.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Book Gimel," (7-1999). This publication includes tables for computing depreciation adjustment factors. See § 1.170A-12 of this chapter.

(d) *Effective date.* This section applies after April 30, 1989.

[T.D. 8540, 59 FR 30177, June 10, 1994, as amended by T.D. 8819, 64 FR 23227, 23229, Apr. 30, 1999; 64 FR 33196, June 22, 1999; T.D. 8886, 65 FR 36943, June 12, 2000]

**§ 25.7520-2 Valuation of charitable interests.**

(a) *In general*—(1) *Valuation.* Except as otherwise provided in this section and in § 25.7520-3 (relating to exceptions to the use of prescribed tables under certain circumstances), the fair market value of annuities, interests for life or for a term for years, remainders, and reversions for which a gift tax chari-

table deduction is allowable is the present value of such interests determined under § 25.7520-1.

(2) *Prior-month election rule.* If any part of the property interest transferred qualifies for a gift tax charitable deduction under section 2522, the donor may elect to compute the present value of the interest transferred by use of the section 7520 interest rate for the month during which the gift is made or the section 7520 interest rate for either of the 2 months preceding the month during which the gift is made. Paragraph (b) of this section explains how a prior-month election is made. The interest rate for the month so elected is the applicable section 7520 interest rate. If the actuarial factor for either or both of the 2 months preceding the month during which the gift is made is based on a mortality experience that is different from the mortality experience at the date of the gift and if the donor elects to use the section 7520 rate for a prior month with the different mortality experience, the donor must use the actuarial factor derived from the mortality experience in effect during the month of the section 7520 rate elected. All actuarial computations relating to the gift must be made by applying the interest rate component and the mortality component of the month elected by the donor.

(3) *Gifts of more than one interest in the same property.* If a donor makes a gift of more than one interest in the same property at the same time, the donor must, for purposes of valuing the gifts, use the same interest rate and mortality components for the gift of each interest in the property. If the donor has made gifts of more than one interest in the same property at different times, the donor must determine the value of the gift by the use of the interest rate component and mortality component in effect during the month of that gift or, if applicable under paragraph (a)(2) of this section, either of the two months preceding the month of the gift.

(4) *Information required with tax return.* The following information must be attached to the gift tax return (or to the amended return) if the donor claims a charitable deduction for the