

## § 25.6905-1

## 26 CFR Ch. I (4-1-10 Edition)

an appraisal in connection with such a return or claim for refund under section 6695A, the rules under § 1.6696-1 of this chapter will apply.

(b) *Effective/applicability date.* This section is applicable to returns and claims for refund filed, and advice provided, after December 31, 2008.

[T.D. 9436, 73 FR 78452, Dec. 22, 2008]

### § 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]

### § 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 terms of years, and remainder or reversionary interests prior to May 1, 2009.

(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. For periods prior to May 1, 2009, see § 20.2031-7A for the computation of the value of annuities, unitrust interests, life estates, terms for years, remainders, and reversions, other than interests described in paragraphs (a)(2) and (a)(3) of this section.

(2) For a gift to a pooled income fund prior to May 1, 2009, see § 1.642(c)-6A (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 transactions with valuation dates after April 30, 1989, and before May 1, 2009, the mortality component tables are contained in § 20.2031-7A.