between such calendar quarter and the calendar quarter for which the tax is being computed.

Subsecs. (c), (d). Pub. L. 97–34 redesignated subsec. (d) as subsec. (c), defining “preceding calendar years” and “preceding calendar quarters”, was incorporated in subsec. (b).

1976—Subsec. (a). Pub. L. 94–455 inserted “‘tentative’ after ‘‘(1) a’’ and ‘‘(2) a’’ and substituted in par. (1) ‘‘section 2001(c)’’ for ‘‘this subsection’’ after ‘‘set forth in’’.


Subsec. (b). Pub. L. 91–614, §102(a)(2)(B), substituted definition of “calendar quarter” for definition of “calendar year”.

Subsec. (c). Pub. L. 91–614, §102(a)(2)(B), substituted definition of “preceding calendar years and quarters” for definition of “preceding calendar years”.


effective and termination dates of 2010 amendment

Pub. L. 107–16, title V, §511(f)(3), June 7, 2001, 115 Stat. 3301, provided that: “The amendments made by subsection (d) and (e) [amending this section and section 2501 of this title] shall apply to gifts made after December 31, 2009.”

Amendment by Pub. L. 107–16 inapplicable to estates of decedents dying, gifts made, or generation skipping transfers, after Dec. 31, 2012, and the Internal Revenue Code of 1986 to be applied and administered to such estates, gifts, and transfers as if such amendments had never been enact, see section 901 of Pub. L. 107–16, set out as a note under section 121 of this title.


effective and termination dates of 2001 amendment

Pub. L. 100–203, set out as a note under section 1 of this title.

Amendment by Pub. L. 100–203 applicable to amendments by section 2501 of Pub. L. 107–16, set out as a note under section 121 of this title.


effective date of 1987 amendment

Amendment by Pub. L. 100–203 applicable in the case of decedents dying, and gifts made, after Dec. 31, 1987, see section 10401(c) of Pub. L. 100–203, set out as a note under section 2501 of this title.


effective date of 1981 amendment

Amendment by Pub. L. 97–34 applicable with respect to gifts made after Dec. 31, 1981, see section 442(e) of Pub. L. 97–34, set out as a note under section 2501 of this title.


effective date of 1976 amendment

Section 2501(d)(2) of Pub. L. 94–455 provided that: “The amendments made by subsections (b) and (c)(2) [enacting this section and section 2504 of this title, and repealing section 2521 of this title] shall apply to gifts made after December 31, 1976.”


effective date of 1970 amendment


§ 2503. Taxable gifts

(a) General definition

The term “taxable gifts” means the total amount of gifts made during the calendar year, less the deductions provided in subchapter C (section 2522 and following).

(b) Exclusions from gifts

(1) In general

In the case of gifts (other than gifts of future interests in property) made to any person by the donor during the calendar year, the first $10,000 of such gifts to such person shall not, for purposes of subsection (a), be included in the total amount of gifts made during such year. Where there has been a transfer to any person of a present interest in property, the possibility that such interest may be diminished by the exercise of a power shall be disregarded in applying this subsection, if no part of such interest will at any time pass to any other person.

(2) Inflation adjustment

In the case of gifts made in a calendar year after 1996, the $10,000 amount contained in paragraph (1) shall be increased by an amount equal to—

(A) $10,000, multiplied by—

(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting “calendar year 1997” for “calendar year 1992” in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.

(c) Transfer for the benefit of minor

No part of a gift to an individual who has not attained the age of 21 years on the date of such transfer shall be considered a gift of a future interest in property for purposes of subsection (b) if the property and the income therefrom—

(1) may be expended by, or for the benefit of, the donee before his attaining the age of 21 years, and

(2) will to the extent not so expended—

(A) pass to the donee on his attaining the age of 21 years, and

(B) in the event the donee dies before attaining the age of 21 years, be payable to the estate of the donee or as he may appoint under a general power of appointment as defined in section 2514(c).


(e) Exclusion for certain transfers for educational expenses or medical expenses

(1) In general

Any qualified transfer shall not be treated as a transfer of property by gift for purposes of this chapter.

(2) Qualified transfer

For purposes of this subsection, the term “qualified transfer” means any amount paid on behalf of an individual—

(A) as tuition to an educational organization described in section 170(b)(1)(A)(ii) for the education or training of such individual, or

(B) to any person who provides medical care (as defined in section 213(d)) with re-
pect to such individual as payment for such medical care.

(f) Waiver of certain pension rights

If any individual waives, before the death of a participant, any survivor benefit, or right to such benefit, under section 401(a)(11) or 417, such waiver shall not be treated as a transfer of property by gift for purposes of this chapter.

(g) Treatment of certain loans of artworks

(1) In general

For purposes of this subtitle, any loan of a qualified work of art shall not be treated as a transfer (and the value of such qualified work of art shall be determined as if such loan had not been made) if—

(A) such loan is to an organization described in section 501(c)(3) and exempt from tax under section 501(c) (other than a private foundation), and

(B) the use of such work by such organization is related to the purpose or function constituting the basis for its exemption under section 501.

(2) Definitions

For purposes of this section—

(A) Qualified work of art

The term “qualified work of art” means any archaeological, historic, or creative tangible personal property.

(B) Private foundation

The term “private foundation” has the meaning given such term by section 4944. For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.

Inflation Adjusted Items for Certain Years

For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.

Amendments


1999—Subsecs. (f), (g). Pub. L. 101–239 redesignated subsec. (f), relating to treatment of certain loans of artworks, as (g).


1981—Subsec. (a). Pub. L. 97–34, § 442(a)(3)(A), substituted “the total amount of gifts made during the calendar year, less the deductions provided in subchapter C (section 2522 and following)” for “in the case of gifts made after December 31, 1970, the total amount of gifts made during calendar quarter, less the deductions provided in subchapter C (section 2521 and following)” and struck out provision that in the case of gifts made before Jan. 1, 1971, “taxable gifts” means the total amount of gifts made during the calendar year, less the deductions provided in subchapter C.

Subsec. (b). Pub. L. 97–34, § 442(a)(3)(B), substituted provision that in the case of gifts, other than gifts of future interests in property, made to any person by the donor during the calendar year 1971 and subsequent calendar years, $10,000 of such gifts to each person less the aggregate of the amounts of such gifts to such person during all preceding calendar quarters of the calendar year shall not, for purposes of subsec. (a), be included in the total amount of gifts made during such quarter.

Pub. L. 97–34, § 441(a), substituted “$10,000” for “$3,000.”

Subsec. (d). Pub. L. 97–34, § 311(h)(5), repealed subsec. (d) which related to individual retirement accounts, etc., for spouse.

Subsec. (e). Pub. L. 97–34, § 441(b), added subsec. (e).


1970—Subsec. (a). Pub. L. 91–614, § 102(a)(1), § 102(a)(1), 102(a)(3)(A), § 102(a)(3)(B), divided definition of “taxable gifts” into gifts made after Dec. 31, 1970, where taxable gifts are based on the total amount of gifts made during the calendar quarter, less the applicable deductions, and gifts made before Jan. 1, 1971, where taxable gifts are based on the total amount of gifts made during the calendar year, less the applicable deductions.

Subsec. (b). Pub. L. 91–614, § 102(a)(3)(B), substituted provisions with regard to computing taxable gifts for the calendar quarter, in the case of gifts made to any person by the donor during the calendar year 1971 and subsequent calendar years, $3,000 of such gifts to each person less the aggregate of the amounts of such gifts to such person during all preceding calendar quarters of the calendar year shall not be included in the total amount of gifts made during such quarter for provisions requiring in the case of gifts made to any person by the donor during the calendar year 1965 and subsequent calendar years, the first $3,000 of such gifts to such person shall not be included in the total amount of gifts made during such year.

Effective Date of 1997 Amendment


Effective Date of 1989 Amendment

Amendment by Pub. L. 101–239 effective, except as otherwise provided, as if included in the provision of the Technical and Miscellaneous Revenue Act of 1988, Pub. L. 100–647, to which such amendment relates, see section 7817 of Pub. L. 100–647, set out as a note under section 1 of this title.

Effective Date of 1988 Amendment

Section 1018(a)(32) of Pub. L. 100–647 provided that: “The amendment made by subparagraph (A) [amending this section] shall apply to loans after July 31, 1969.”

Amendment by section 1018(a)(32) of Pub. L. 100–647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99–514, to which such amendment relates, see section 1019(a) of Pub. L. 100–647, set out as a note under section 1 of this title.
§ 2504. Taxable gifts for preceding calendar periods

(a) In general
In computing taxable gifts for preceding calendar periods for purposes of computing the tax for any calendar year—

1) there shall be treated as gifts such transfers as were considered to be gifts under the gift tax laws applicable to the calendar period in which the transfers were made,

2) there shall be allowed such deductions as were provided for under such laws, and

3) the specific exemption in the amount (if any) allowable under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) shall be applied in all computations in respect of preceding calendar periods ending before January 1, 1977, for purposes of computing the tax for any calendar year.

(b) Exclusions from gifts for preceding calendar periods
In the case of gifts made to any person by the donor during preceding calendar periods, the amount excluded, if any, by the provisions of gift tax laws applicable to the periods in which the gifts were made shall not, for purposes of subsection (a), be included in the total amount of the gifts made during such preceding calendar periods.

(c) Valuation of gifts
If the time has expired under section 6501 within which a tax may be assessed under this chapter 12 (or under corresponding provisions of prior laws) on—

1) the transfer of property by gift made during a preceding calendar period (as defined in section 2502(b)); or

2) an increase in taxable gifts required under section 2701(d),

the value thereof shall, for purposes of computing the tax under this chapter, be the value as finally determined (within the meaning of section 2001(f)(2)) for purposes of this chapter.

(d) Net gifts
The term “net gifts” as used in the corresponding provisions of prior laws shall be read as “taxable gifts” for purposes of this chapter.

References in Text

Amendments
1998—Subsec. (c). Pub. L. 105–206 substituted “gifts” for “certain gifts for preceding calendar periods” in heading and amended text generally. Prior to amendment, text read as follows: “If the time has expired within which a tax may be assessed under this chapter or under corresponding provisions of prior laws on the transfer of property by gift made during a preceding calendar period, as defined in section 2502(b), the value of such gift made in such preceding calendar period shall, for purposes of computing the tax under this chapter for any calendar year, be the value of such gift which was used in computing the tax for the last preceding calendar period for which a tax under this chapter or under corresponding provisions of prior laws was assessed or paid.”