

Valuation of annuities. Interest for life or a term of years, and remainder and reversionary interests when the individual, who is the measuring life, is terminally ill. Rev. Ruls. 80-80 and 66-307 are obsolete effective December 14, 1995.

Rev. Rul. 96-3

Rev. Rul. 80-80, 1980-1 C.B. 194, and Rev. Rul. 66-307, 1966-2 C.B. 429, hold that the valuation tables in the regulations for valuing annuities, interests for life or a term of years, and remainder or reversionary interests are not to be used if the individual, who is the measuring life, is known to be terminally ill at the time of the transfer. These revenue rulings have been superseded by § 20.7520-3(b)(3) of the Estate Tax Regulations, effective with respect to estates of decedents dying after December 13, 1995. Similar provisions are set forth in §§ 1.7520-3(b)(3) of the Income Tax Regulations and 25.7520-3(b)(3) of the Gift Tax Regulations. Section 1.7520-3(b)(3) is effective with respect to transactions after December 13, 1995 and § 25.7520-3(b)(3) is effective with respect to gifts made after December 13, 1995.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 80-80, 1980-1 C.B. 194,

and Rev. Rul. 66-307, 1966-2 C.B. 429 are obsolete effective December 14, 1995.

DRAFTING INFORMATION

The principal author of this revenue ruling is William L. Blodgett of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling contact Mr. Blodgett on (202) 622-3090 (not a toll-free call).
