
EXTENDING THE TIME FOR RELEASE OF POWERS OF
APPOINTMENT FOR PURPOSES OF CERTAIN PROVISIONS
OF THE INTERNAL REVENUE CODE

MAY 22 (legislative day, MARCH 5), 1946.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the
following

REPORT

[To accompany H. J. Res. 353]

The Committee on Finance, to whom was referred the resolution (H. J. Res. 353) extending the time for release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes, having considered the same, report favorably thereon, without amendment, and recommend that the resolution be passed.

In explanation of the committee's action, the following is quoted from the report from the Committee on Ways and Means of the House of Representatives:

GENERAL STATEMENT

The resolution extends to July 1, 1947, the period for releasing certain powers of appointment without incurring liability for estate or gift taxes. The Revenue Act of 1942 made a number of significant changes in the treatment, under the estate and gift taxes, of property which is subject to a power of appointment created by a person other than the holder of the power. The period within which persons could release their powers without incurring tax liability has been extended on several occasions since the enactment of the 1942 act because of the difficulties persons have encountered in making the desired adjustments and the need for additional time to study possible changes in the 1942 legislation, particularly in connection with preexisting powers. Opportunity will be afforded during this additional period of time for the consideration of desirable changes.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in the Revenue Act of 1942 made by the resolution are shown as follows (existing law proposed to be omitted is enclosed in black

brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

"SEC. 403. POWERS OF APPOINTMENT.

* * * * *
 "(d) Powers With Respect To Which Amendments Not Applicable.—
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"(3) The amendments made by this section shall not apply with respect to any power to appoint created on or before the date of the enactment of this Act if it is released before July 1, [1946] 1947, or within the time limited by paragraph (2) in cases to which such paragraph is applicable; or if the decedent dies before July 1, [1946] 1947, or within the time limited by paragraph (2) in cases to which such paragraph is applicable, and such power is not exercised.

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 "SEC. 452. POWERS OF APPOINTMENT.
 * * * * *

"(c) Release Before July 1, [1946] 1947.—

(1) A release of a power to appoint before July 1, [1946] 1947, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to [1946] 1947, and to that part of the calendar year prior to July 1, [1946] 1947."

[H. J. Res. 353, 79th Cong., 2d sess.]

JOINT RESOLUTION Extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 403 (d) (3) of the Revenue Act of 1942 (relating to the release of certain powers of appointment) is amended by striking out "July 1, 1946" wherever it appears and inserting in lieu thereof "July 1, 1947"; and section 452 (c) of the Revenue Act of 1942 is amended to read as follows:

"(c) RELEASE BEFORE JULY 1, 1947.—

"(1) A release of a power to appoint before July 1, 1947, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1947 and to that part of the calendar year 1947 prior to July 1, 1947."

