

**RULES
OF
DEPARTMENT OF REVENUE
MISCELLANEOUS TAX DIVISION**

**CHAPTER 1320-4-9
PRIVILEGE TAX ON TRANSFERS OF REALTY**

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1320-4-9-.01 VALUATION OF LIFE ESTATES, RELEASES OF LIFE ESTATES TO OTHER THAN REMAINDERMEN AND TRANSFERS OF REMAINDERS OR REVERSIONARY INTERESTS.

- (1) Any transfer of an interest in property consisting of a life estate, a remainder, a reversionary interest, or the release of a life estate to other than a remainderman, which is subject to taxation pursuant to Item S of T.C.A. §67-4102, is to be valued as follows:
 - (a) If the interest is the right of a person, for his life, or for the life of another person, to use non-income producing property, or to receive the income of certain property, the value of the interest is obtained by multiplying the value of the property by the figure in column (3) of Table A (1) or A (2), whichever is appropriate, appearing at 26 C.F.R. §20.2031-10 (f) opposite the number of years nearest to the actual age of the measuring life.
 - (b) If the interest is the release of the right of a person for his life or for the life of another person to a person other than a remainderman, to use non-income producing property or to receive the value of certain property, the value of the interest is obtained by multiplying the value of the property by the figure in column (3) of Table A (1) or A (2), whichever is appropriate, appearing at 26 C.F.R. 20.2031-10 (f) opposite the number of years nearest to the actual age of the measuring life.
 - (c) If the interest is a remainder or reversionary interest in property, the value of the interest is obtained by multiplying the value of the property by the figure in column (4) of Table A (1) or A (2), whichever is appropriate, appearing at 26 C.F.R. §20.2031-10(f) opposite the number of years nearest to the actual age of the person whose life measures the preceding estate.
- (2) The filing of an instrument evidencing the transfer of an interest in property consisting of a life estate, release of a life estate to a person other than a remainderman, or a transfer of a remainder or a reversionary interest, which is subject to taxation, pursuant to Item S of Section 67-4102, shall be accompanied by an affidavit, made under oath and signed by the grantee, which shall state, as of the date of the filing with the register of the county, the following:
 - (a) The value of the property;
 - (b) The number of years nearest to the actual age of measuring life, or the number of years nearest to the actual age of the person whose life estate measures the preceding estate, whichever is appropriate; and
 - (c) The value of the interest transferred.

(Rule 1320-4-9-.01, continued)

- (3) The failure to file an affidavit as required herein shall create the presumption that the value of the interest in the property consisting of a life estate, release of life estate, remainder or reversionary interest is the same as the value of the property.
- (4) Definitions
 - (a) 26 C.F.R. §20.2031-10(f) shall mean that regulation as in effect on November 1, 1982.

Authority: T.C.A. §§67-101 and 67-4302. **Administrative History:** Original rule filed September 7, 1983; effective December 14, 1983.