


### Internal Revenue Code Section 7520(a)



(a) General rule.

For purposes of this title, the value of any annuity, any interest for life or a term of years, or any remainder or reversionary interest shall be determined-

(1) under tables prescribed by the Secretary, and

(2) by using an interest rate (rounded to the nearest 2/10ths of 1 percent) equal to 120 percent of the Federal midterm rate in effect under section 1274(d)(1) for the month in which the valuation date falls.

If an income, estate, or gift tax charitable contribution is allowable for any part of the property transferred, the taxpayer may elect to use such Federal midterm rate for either of the 2 months preceding the month in which the valuation date falls for purposes of paragraph (2) . In the case of transfers of more than 1 interest in the same property with respect to which the taxpayer may use the same rate under paragraph (2) , the taxpayer shall use the same rate with respect to each such interest.

(b) Section not to apply for certain purposes.

This section shall not apply for purposes of part I of subchapter D of chapter 1 or any other provision specified in regulations.

(c) Tables.

(1) In general.

The tables prescribed by the Secretary for purposes of subsection (a) shall contain valuation factors for a series of interest rate categories.

(2) Revision for recent mortality charges.

The Secretary shall revise the initial tables prescribed for purposes of subsection (a) to take into account the most recent mortality experience available as of the time of such revision. Such tables shall be revised not less frequently than once each 10 years to take into account the most recent mortality experience available as of the time of the revision.

(d) Valuation date.

For purposes of this section , the term "valuation date" means the date as of which the valuation is made.

(e) Tables to include formulas.

For purposes of this section , the term "tables" includes formulas.

