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Internal Revenue Code Section 2703

Certain rights and restrictions disregarded

(a) General rule.

For purposes of this subtitle, the value of any property shall be determined without regard to-

- (1) any option, agreement, or other right to acquire or use the property at a price less than the fair market value of the property (without regard to such option, agreement, or right),
or
- (2) any restriction on the right to sell or use such property.

(b) Exceptions.

Subsection (a) shall not apply to any option, agreement, right, or restriction which meets each of the following requirements:

- (1) It is a bona fide business arrangement.
- (2) It is not a device to transfer such property to members of the decedent's family for less than full and adequate consideration in money or money's worth.
- (3) Its terms are comparable to similar arrangements entered into by persons in an arms' length transaction.