



WHEN RESULTS COUNT

ESTATE AND GIFT E-FLASH

Volume 1-2

1999

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Estate of Ethel S. Nowell v. Commissioner T.C. Memo. 1999-115, January 26, 1999

QTIP Interest Not Aggregated

In this case, the IRS attempted to aggregate the interests of two QTIP trusts (exempt and non-exempt) with the decedent's revocable trust for valuation purposes. The Tax Court denied this aggregation attempt and determined that each of the interests should be valued separately.

Assignee Limited Partner Interests Pass at Death to General Partner

A second issue in this case was whether the general and limited partnership interests passing to the family member general partner should be valued as assignee interests. The Tax Court concluded that the general partnership interest received should be valued as a full partnership interest since the beneficiary was already a general partner. The limited partnership interest passing to this same beneficiary, however, was valued as an assignee interest. The Tax Court allowed partnership valuation discounts based on "lack of marketability, lack of control, and other disabilities" ranging from 50% to 65%

[*Click Here for a Complete Copy of the Case*](#)

**Edited by John R. Gilbert, CPA/ABV, CVA
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