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\*\*\* CURRENT THROUGH P.L. 110-39, APPROVED 6/21/2007 \*\*\*

TITLE 26. INTERNAL REVENUE CODE  
SUBTITLE F. PROCEDURE AND ADMINISTRATION  
CHAPTER 61. INFORMATION AND RETURNS  
SUBCHAPTER A. RETURNS AND RECORDS  
PART III. INFORMATION RETURNS  
SUBPART B. INFORMATION CONCERNING TRANSACTIONS WITH OTHER PERSONS

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26 USCS § 6050V

§ 6050V. Returns relating to applicable insurance contracts in which certain exempt organizations hold interests.

(a) In general. Each applicable exempt organization which makes a reportable acquisition shall make the return described in subsection (c).

(b) Time for making return. Any applicable exempt organization required to make a return under subsection (a) shall file such return at such time as may be established by the Secretary.

(c) Form and manner of returns. A return is described in this subsection if such return--

- (1) is in such form as the Secretary prescribes,
- (2) contains the name, address, and taxpayer identification number of the applicable exempt organization and the issuer of the applicable insurance contract, and
- (3) contains such other information as the Secretary may prescribe.

(d) Definitions. For purposes of this section--

(1) Reportable acquisition. The term "reportable acquisition" means the acquisition by an applicable exempt organization of a direct or indirect interest in any applicable insurance contract in any case in which such acquisition is a part of a structured transaction involving a pool of such contracts.

(2) Applicable insurance contract.

(A) In general. The term "applicable insurance contract" means any life insurance, annuity, or endowment contract with respect to which both an applicable exempt organization and a person other than an applicable exempt organization have directly or indirectly held an interest in the contract (whether or not at the same time).

(B) Exceptions. Such term shall not include a life insurance, annuity, or endowment contract if--

(i) all persons directly or indirectly holding any interest in the contract (other than applicable exempt organizations) have an insurable interest in the insured under the contract independent of any interest of an applicable exempt organization in the contract,

(ii) the sole interest in the contract of an applicable exempt organization or each person other than an applicable exempt organization is as a named beneficiary, or

(iii) the sole interest in the contract of each person other than an applicable exempt organization is--

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(I) as a beneficiary of a trust holding an interest in the contract, but only if the person's designation as such beneficiary was made without consideration and solely on a purely gratuitous basis, or

(II) as a trustee who holds an interest in the contract in a fiduciary capacity solely for the benefit of applicable exempt organizations or persons otherwise described in subclause (I) or clause (i) or (ii).

(3) Applicable exempt organization. The term "applicable exempt organization" means--

(A) an organization described in section 170(c) [26 USCS § 170(c)],

(B) an organization described in section 168(h)(2)(A)(iv) [26 USCS § 168(h)(2)(A)(iv)], or

(C) an organization not described in paragraph (1) or (2) which is described in section 2055(a) [26 USCS § 2055(a)] or section 2522(a) [26 USCS § 2522(a)].

(e) Termination. This section shall not apply to reportable acquisitions occurring after the date which is 2 years after the date of the enactment of this section [enacted Aug. 17, 2006].

**HISTORY:**

(Added Aug. 17, 2006, P.L. 109-280, Title XII, Subtitle B, Part 1, § 1211(a)(1), 120 Stat. 1072.)

**HISTORY; ANCILLARY LAWS AND DIRECTIVES**

Other provisions:

**Application of Aug. 17, 2006 amendments.** Act Aug. 17, 2006, P.L. 109-280, Title XII, Subtitle B, Part 1, § 1211(d), 120 Stat. 1074, provides: "The amendments made by this section [adding this section and amending 26 USCS §§ 6721, 6724, and the subpart analysis preceding 26 USCS § 6041] shall apply to acquisitions of contracts after the date of enactment of this Act."

**NOTES:**

Research Guide:

Am Jur:

34 Am Jur 2d, Federal Taxation (2007) § 60714.