

Charitable Lead Trusts

Notice 2003-39

SECTION 1. PURPOSE

This notice requests suggestions from the public regarding the creation of sample forms for charitable lead trusts.

SECTION 2. BACKGROUND

When interests in the same property are transferred for both charitable and non-charitable purposes, the charitable interest will qualify for the applicable income, gift, and estate tax charitable deductions only if the interest is in a certain prescribed form. If the charitable interest is a lead interest, §§ 170, 2522, and 2055 of the Internal Revenue Code generally require that the charitable interest be in the form of a guaranteed annuity or unitrust interest.

A charitable lead trust is a trust that pays annually a specified annuity or unitrust amount to one or more charitable beneficiaries for a specified term of years or for the life of a named individual or lives of certain named individuals. Upon termination of the annuity or unitrust period, the remainder interest passes to, or for the benefit of, one or more noncharitable beneficiaries.

The Internal Revenue Service has not previously issued sample forms for charitable lead trusts.

SECTION 3. REQUEST FOR PUBLIC COMMENT

The Internal Revenue Service intends to publish sample forms that reflect the statutory and regulatory provisions applicable to charitable lead trusts. The Service requests comments regarding the charitable lead trust sample forms, including comments on the type of format to be used, the substantive provisions to be included, and the various types of charitable lead trusts for which samples would be most helpful.

Taxpayers may submit comments in writing to:

Internal Revenue Service
Attn: CC:PSI:RU (Notice 2003-39)
P.O. Box 7604
Room 5226
Ben Franklin Station
Washington, DC 20044

or have them hand delivered between the hours of 8:00 a.m. and 5:00 p.m. to:

Courier's Desk
Internal Revenue Service
Attn: CC:PSI:RU (Notice 2003-39,
Room 5226)
1111 Constitution Ave., NW
Washington, DC 20224

Alternatively, taxpayers may submit comments electronically to the following address: *Notice.Comments@irs.counsel.treas.gov*. Please include "Notice 2003-39" in the subject line. Comments and suggestions should be received by October 1, 2003. All comments and suggestions submitted will be available for public inspection and copying.

DRAFTING INFORMATION

The principal author of this notice is Stephanie N. Bland of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Stephanie N. Bland at (202) 622-7830 (not a toll-free call).