

TITLE 26 - INTERNAL REVENUE CODE
Subtitle F - Procedure and Administration
CHAPTER 64 - COLLECTION
Subchapter C - Lien for Taxes
PART II - LIENS

§ 6324. Special liens for estate and gift taxes

(a) Liens for estate tax

Except as otherwise provided in subsection (c)—

(1) Upon gross estate

Unless the estate tax imposed by chapter 11 is sooner paid in full, or becomes unenforceable by reason of lapse of time, it shall be a lien upon the gross estate of the decedent for 10 years from the date of death, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien.

(2) Liability of transferees and others

If the estate tax imposed by chapter 11 is not paid when due, then the spouse, transferee, trustee (except the trustee of an employees' trust which meets the requirements of section 401 (a)), surviving tenant, person in possession of the property by reason of the exercise, nonexercise, or release of a power of appointment, or beneficiary, who receives, or has on the date of the decedent's death, property included in the gross estate under sections 2034 to 2042, inclusive, to the extent of the value, at the time of the decedent's death, of such property, shall be personally liable for such tax. Any part of such property transferred by (or transferred by a transferee of) such spouse, transferee, trustee, surviving tenant, person in possession, or beneficiary, to a purchaser or holder of a security interest shall be divested of the lien provided in paragraph (1) and a like lien shall then attach to all the property of such spouse, transferee, trustee, surviving tenant, person in possession, or beneficiary, or transferee of any such person, except any part transferred to a purchaser or a holder of a security interest.

(3) Continuance after discharge of fiduciary

The provisions of section 2204 (relating to discharge of fiduciary from personal liability) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless such part of the gross estate (or any interest therein) has been transferred to a purchaser or a holder of a security interest, in which case such part (or such interest) shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser or holder of a security interest, by the heirs, legatees, devisees, or distributees.

(b) Lien for gift tax

Except as otherwise provided in subsection (c), unless the gift tax imposed by chapter 12 is sooner paid in full or becomes unenforceable by reason of lapse of time, such tax shall be a lien upon all gifts made during the period for which the return was filed, for 10 years from the date the gifts are made. If the tax is not paid when due, the donee of any gift shall be personally liable for such tax to the extent of the value of such gift. Any part of the property comprised in the gift transferred by the donee (or by a transferee of the donee) to a purchaser or holder of a security interest shall be divested of the lien imposed by this subsection and such lien, to the extent of the value of such gift, shall attach to all the property (including after-acquired property) of the donee (or the transferee) except any part transferred to a purchaser or holder of a security interest.

(c) Exceptions

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

(1) The lien imposed by subsection (a) or (b) shall not be valid as against a mechanic's lienor and, subject to the conditions provided by section 6323 (b) (relating to protection for certain interests even though notice filed), shall not be valid with respect to any lien or interest described in section 6323 (b).

(2) If a lien imposed by subsection (a) or (b) is not valid as against a lien or security interest, the priority of such lien or security interest shall extend to any item described in section 6323 (e) (relating to priority of interest and expenses) to the extent that, under local law, such item has the same priority as the lien or security interest to which it relates.

(Aug. 16, 1954, ch. 736, 68A Stat. 780; Pub. L. 88-272, title II, § 236(b), (c)(2), Feb. 26, 1964, 78 Stat. 127, 128; Pub. L. 89-719, title I, § 102, Nov. 2, 1966, 80 Stat. 1132; Pub. L. 91-614, title I, §§ 101(d)(2), 102 (d)(7), Dec. 31, 1970, 84 Stat. 1837, 1842.)

Amendments

1970—Subsec. (a)(3). Pub. L. 91-614, § 101(d)(2), substituted “fiduciary” for “executor” in heading and text.

Subsec. (b). Pub. L. 91-614, § 102(d)(7), substituted “period for which the return was filed” for “calendar year”.

1966—Subsec. (a)(1). Pub. L. 89-719 inserted “, or becomes unenforceable by reason of lapse of time,” after “sooner paid in full” and substituted “10 years from the date of death” for “10 years upon the gross estate of the decedent”.

Subsec. (a)(2). Pub. L. 89-719 substituted “person in possession, or beneficiary, to a purchaser or holder of a security interest” for “person in possession of property by reason of the exercise, nonexercise, or release of a power of appointment, or beneficiary, to a bona fide purchaser, mortgagee, or pledgee, for an adequate and full consideration in money and money's worth” and “except any part transferred to a purchaser or a holder of a security interest” for “except any part transferred to a bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth”.

Subsec. (a)(3). Pub. L. 89-719 substituted “purchaser or a holder of a security interest” for “bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth” and “purchaser or holder of a security interest” for “purchaser, mortgagee, or pledgee”.

Subsec. (b). Pub. L. 89-719 substituted reference to exception provided in subsec. (c) for reference to exceptions provided in subssecs. (c) and (d), inserted reference to tax becoming unenforceable by reason of lapse of time, and substituted “purchaser or holder of a security interest” for “bona-fide purchaser, mortgagee, or pledgee, for an adequate and full consideration in money or money's worth”.

Subsec. (c). Pub. L. 89-719 redesignated as par. (1) provisions formerly constituting subsec. (c), substituted “valid as against a mechanic's lienor and, subject to the conditions provided by section 6323 (b) (relating to protection for certain interests even though noticed filed), shall not be valid with respect to any lien or interest described in section 6323 (b)” for “valid with respect to a security, as defined in section 6323 (c)(2), as against any mortgagee, pledgee, or purchaser of any such security, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien”, and added par. (2).

Subsec. (d). Pub. L. 89-719 struck out subsec. (d) dealing with exceptions in the case of motor vehicles. See subsec. (c) above and reference therein to section 6323 (b).

1964—Subsecs. (a), (b). Pub. L. 88-272, § 236(c)(2), inserted “and subsection (d) (relating to purchases of motor vehicles)”.

Subsec. (d). Pub. L. 88-272, § 236(b), added subsec. (d).

Effective Date of 1970 Amendment

Amendment by section 101(d)(2) of Pub. L. 91-614 applicable with respect to decedents dying after Dec. 31, 1970, see section 101(j) of Pub. L. 91-614, set out as a note under section 2032 of this title.

Amendment by section 102(d)(7) of Pub. L. 91-614 applicable with respect to gifts made after Dec. 31, 1970, see section 102(e) of Pub. L. 91-614, set out as a note under section 2501 of this title.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

Effective Date of 1966 Amendment

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114 (a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

Effective Date of 1964 Amendment

Amendment by Pub. L. 88-272 applicable to purchases made after Feb. 26, 1964, see section 236(d) of Pub. L. 88-272, set out as a note under section 6323 of this title.