

**Internal Revenue Service**

Department of the Treasury

Number: **200109006**  
Release Date: 3/2/2001  
Index Number: 664.00-00

Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:2 - PLR-113439-00

Date:

November 20, 2000

Trust =

Trust A =

Trust B =

A =

B =

Charity =

D1 =

D2 =

Dear :

This letter responds to a letter dated June 14, 2000, and subsequent correspondence, that you submitted on behalf of Trust as Trust's authorized representative. The trustees of Trust requested a ruling that the proposed division of Trust, a charitable remainder unitrust, into two separate trusts, each of which also will comply the requirements under § 664 of the Internal Revenue Code, will not cause either Trust or the resultant trusts, Trust A and Trust B, to fail to qualify under § 664.

According to the information submitted, on D1, A and B who

were then husband and wife, established Trust. Trust provides for quarterly unitrust payments to be made to A and B in equal proportions during their joint lifetimes, and after the death of either of them, wholly to the survivor during his or her lifetime. The unitrust payments are to be equal to eight percent (8%) of the net fair market value of the trust estate valued annually. A and B each have the right, upon his or her death, pursuant to his or her last will and testament, to terminate the rights of the surviving Trustor as to any interest in property the deceased Trustor transferred to Trust. In addition, Trust provides that each Trustor has a testamentary power to name any one or more organizations described in §§ 170(c), 2055(a), and 2522 of the Code to receive the portion of the charitable remainder attributable to his/her contribution to Trust. It is represented that Trust satisfies all applicable requirements of § 664(d)(2) of the Code.

A and B's marriage was dissolved effective D2. A and B now propose to divide Trust into separate charitable remainder unitrusts. Trust A will be for the benefit of A and Trust B will be for the benefit of B. The terms of each Trust A and Trust B are identical to the terms of Trust except that the trust property of Trust A will be 50 percent of the trust principal and any undistributed income of Trust and the trust property of Trust B will be 50 percent of the trust principal and any undistributed income of Trust. Trust A will terminate upon A's death, at which time the remainder of the trust estate will be paid to Charity, subject only to A's testamentary power to name one or more additional or other qualified charitable organizations as the charitable remainder beneficiary. Trust B will terminate upon B's death, at which time the remainder of the trust estate will be paid to Charity, subject only to B's testamentary power to name one or more additional or other qualified charitable organizations as the charitable remainder beneficiary.

A will receive during his lifetime an amount equal to eight percent (8%) of the net fair market value of the trust estate of Trust A, valued annually. A will be the sole trustee of Trust A.

B will receive during her lifetime an amount equal to eight percent (8%) of the net fair market value of the trust estate of Trust B, valued annually. B will be the sole trustee of Trust B.

After applying the relevant law to the information provided and the representations made, we conclude that the division of Trust into Trust A and Trust B will not cause either Trust, Trust A or Trust B to fail to qualify as charitable remainder trusts under § 664.

Except as specifically set forth above, no opinion is

expressed concerning the federal tax consequences of the facts of the transaction described above under any other provision of the Code, in particular §§ 61, 170, 1001, 1041, and 2522. We express no opinion on whether Trust qualifies as a charitable remainder trust under § 664 or whether the separate trusts each will qualify as charitable remainder trusts under § 664.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Pursuant to a power of attorney on file with this office, a copy of this letter is being sent to Trust and to Trust's other authorized representative.

Sincerely yours,

JEANNE M. SULLIVAN  
Assistant to the Chief  
Branch 2  
Office of the Associate  
Chief Counsel  
(Passthroughs and  
Special Industries)

Enclosures: 2  
Copy of this letter  
Copy for § 6110 purposes