Estate of Edwin E. Jack v. Commissioner, 6 T.C. 241 (1946)

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For a charitable bequest to be deductible from a gross estate, its value must be presently ascertainable at the time of the testator's death, and if a trustee has the power to divert the property from the charity, the deduction is limited to the portion, if any, of the property exempt from that power.

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Summary

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The Tax Court addressed whether a charitable bequest was deductible from the decedent's gross estate. The court held that because the trustee had broad discretion to invade the corpus for the life beneficiary's maintenance, and there was no readily ascertainable amount certain to pass to the charity, the deduction was disallowed. The court emphasized the requirement for a "highly reliable appraisal" of the amount the charity would receive at the testator's death, which was lacking in this case due to the trustee's broad powers.

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Facts

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Edwin E. Jack died, leaving a will that established a trust. The trust provided income to his wife for life, with the remainder to go to designated charities upon her death. The trustee was granted the power to invade the corpus of the trust for the "comfort, support, and maintenance" of the wife. The wife died within a year of the decedent's death.

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Procedural History

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The Commissioner of Internal Revenue disallowed the estate's deduction for the charitable remainder, arguing its value was not presently ascertainable at the time

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of the decedent’s death. The Estate appealed to the Tax Court.

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Issue(s)

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Whether the value of the charitable remainder was “presently ascertainable” at the time of the testator’s death, given the trustee’s power to invade the corpus for the life beneficiary’s benefit.

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Holding

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No, because the trustee’s broad power to invade the corpus for the wife’s

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