11 T.C. 984 (1948)

A transfer of property between spouses in a community property state, intended solely to facilitate a loan and lacking donative intent, does not constitute a gift and remains community property for estate tax purposes.

Summary

E.W. Hunt and his wife, Viola, divided their Texas ranch to obtain larger loans from the Federal Land Bank. The husband deeded the south half to his wife. The court addressed whether the south half of the ranch and livestock were Viola's separate property or community property includible in E.W.'s estate. The court held that the transfer was not a gift because there was no donative intent, as it was solely for loan procurement. Therefore, the property remained community property includible in E.W.'s gross estate. The court also determined the value of bank stock in the estate and approved attorney fees.

Facts

E.W. Hunt purchased ranch land in Texas in 1927. This land was community property. In 1940, E.W. sought to refinance the loan on the ranch. To obtain larger loans from the Federal Land Bank, he and Viola divided the ranch. E.W. deeded the south half to Viola, and the north half to a trustee who then deeded it back to E.W. Viola and E.W. both applied for loans, representing the

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