14 T.C. 322 (1950)

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A gift is considered complete for gift tax purposes when the donor unconditionally transfers property to the donee, even if the donee later reconveys the property to the donor based on the donor’s unfulfilled expectation of estate tax benefits.

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Summary

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William H. Board transferred property to his wife and children, intending to reduce his potential estate tax. After discovering this strategy was ineffective, he asked his family to reconvey the property, which they did. The Commissioner of Internal Revenue assessed a gift tax on the initial transfer. The Tax Court held that the initial transfer was a completed gift, regardless of the subsequent reconveyance, because the original transfer was unconditional. Board’s subjective desire for estate tax benefits did not negate the objective reality of the completed gift.

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Facts

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William H. Board owned an undivided one-half interest in the

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