

heretofore caused by dredging operations conducted by the Department of the Navy: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Approved June 27, 1951.

Public Law 57

CHAPTER 155

AN ACT

To extend the time for completing the construction of a toll bridge across the Delaware River near Wilmington, Delaware.

June 27, 1951
[H. R. 4338]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Delaware", approved July 13, 1946, is hereby amended to read as follows:

Toll bridge.
Delaware River.

60 Stat. 533.

Time limitation.

"SEC. 5. The authority hereby granted shall cease and be null and void unless the actual construction of said bridge and its approaches be commenced within three years and completed within six years from July 13, 1946."

Approved June 27, 1951.

Public Law 58

CHAPTER 165

AN ACT

Relating to the treatment of powers of appointment for estate and gift tax purposes.

June 28, 1951
[H. R. 2084]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Powers of Appointment Act of 1951".

Powers of Appointment
Act of 1951.

SEC. 2. ESTATE TAX—POWERS OF APPOINTMENT.

(a) Section 811 (f) of the Internal Revenue Code (relating to powers of appointment) is hereby amended to read as follows:

53 Stat. 122.
26 U. S. C. § 811 (f).

"(f) POWERS OF APPOINTMENT.—

"(1) PROPERTY WITH RESPECT TO WHICH DECEDENT EXERCISES A GENERAL POWER OF APPOINTMENT CREATED ON OR BEFORE OCTOBER 21, 1942.—To the extent of any property with respect to which a general power of appointment created on or before October 21, 1942, is exercised by the decedent (1) by will or (2) by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c) or (d); but the failure to exercise such a power or the complete release of such a power shall not be deemed an exercise thereof.

"If before November 1, 1951, or within the time limited by paragraph (2) of section 403 (d) of the Revenue Act of 1942, as amended, in cases to which such paragraph is applicable, a general power of appointment created on or before October 21, 1942, shall have been partially released so that it is no longer a general power

56 Stat. 942.
26 U. S. C. § 811
notes.

of appointment, the subsequent exercise of such power shall not be deemed to be the exercise of a general power of appointment.

“(2) POWERS CREATED AFTER OCTOBER 21, 1942.—To the extent of any property with respect to which the decedent has at the time of his death a general power of appointment created after October 21, 1942, or with respect to which the decedent has at any time exercised or released such a power of appointment by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c) or (d). A disclaimer or renunciation of such a power of appointment shall not be deemed a release of such power.

“For the purposes of this paragraph (2) the power of appointment shall be considered to exist on the date of the decedent's death even though the exercise of the power is subject to a precedent giving of notice or even though the exercise of the power takes effect only on the expiration of a stated period after its exercise, whether or not on or before the date of the decedent's death notice has been given or the power has been exercised.

“(3) DEFINITION OF GENERAL POWER OF APPOINTMENT.—For the purposes of this subsection the term ‘general power of appointment’ means a power which is exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate; except that—

“(A) A power to consume, invade, or appropriate property for the benefit of the decedent which is limited by an ascertainable standard relating to the health, education, support, or maintenance of the decedent shall not be deemed a general power of appointment.

“(B) A power of appointment created on or before October 21, 1942, which is exercisable by the decedent only in conjunction with another person shall not be deemed a general power of appointment.

“(C) In the case of a power of appointment created after October 21, 1942, which is exercisable by the decedent only in conjunction with another person—

“(i) if the power is not exercisable by the decedent except in conjunction with the creator of the power—such power shall not be deemed a general power of appointment.

“(ii) if the power is not exercisable by the decedent except in conjunction with a person having a substantial interest in the property, subject to the power, which is adverse to exercise of the power in favor of the decedent—such power shall not be deemed a general power of appointment. For the purposes of this clause a person who, after the death of the decedent, may be possessed of a power of appointment (with respect to the property subject to the decedent's power) which he may exercise in his own favor shall be deemed as having an interest in the property and such interest shall be deemed adverse to such exercise of the decedent's power.

“(iii) if (after the application of clauses (i) and (ii)) the power is a general power of appointment and is exercisable in favor of such other person—such power shall be deemed a general power of appointment only in respect

of a fractional part of the property subject to such power, such part to be determined by dividing the value of such property by the number of such persons (including the decedent) in favor of whom such power is exercisable.

For the purposes of clauses (ii) and (iii) a power shall be deemed to be exercisable in favor of a person if it is exercisable in favor of such person, his estate, his creditors, or the creditors of his estate.

“(4) CREATION OF ANOTHER POWER IN CERTAIN CASES.—To the extent of any property with respect to which the decedent (1) by will or (2) by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c), exercises a power of appointment created after October 21, 1942, by creating another power of appointment which under the applicable local law can be validly exercised so as to postpone the vesting of any estate or interest in such property, or suspend the absolute ownership or power of alienation of such property, for a period ascertainable without regard to the date of the creation of the first power.

“(5) LAPSE OF POWER.—The lapse of a power of appointment created after October 21, 1942, during the life of the individual possessing the power shall be considered a release of such power. The rule of the preceding sentence shall apply with respect to the lapse of powers during any calendar year only to the extent that the property which could have been appointed by exercise of such lapsed powers exceeded in value, at the time of such lapse, the greater of the following amounts:

“(A) \$5,000, or

“(B) 5 per centum of the aggregate value, at the time of such lapse, of the assets out of which, or the proceeds of which, the exercise of the lapsed powers could have been satisfied.”

(b) DATE OF CREATION OF POWER.—For the purposes of this section a power of appointment created by a will executed on or before October 21, 1942, shall be considered a power created on or before such date if the person executing such will dies before July 1, 1949, without having republished such will, by codicil or otherwise, after October 21, 1942.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective as if made by section 403 of the Revenue Act of 1942 on the date of its enactment (applicable with respect to estates of decedents dying after October 21, 1942).

SEC. 3. GIFT TAX—POWERS OF APPOINTMENT.

(a) Section 1000 (c) of the Internal Revenue Code (relating to powers of appointment) is hereby amended to read as follows:

“(c) POWERS OF APPOINTMENT.—

“(1) EXERCISE OF GENERAL POWER OF APPOINTMENT CREATED ON OR BEFORE OCTOBER 21, 1942.—An exercise of a general power of appointment created on or before October 21, 1942, shall be deemed a transfer of property by the individual possessing such power; but the failure to exercise such a power or the complete release of such a power shall not be deemed an exercise thereof.

“If before November 1, 1951, or within the time limited by paragraph (2) of section 452 (b) of the Revenue Act of 1942,

56 Stat. 942.
26 U. S. C. §§ 811,
812, 826, 861, 861 notes.

56 Stat. 952.
26 U. S. C. §1000 (c).

56 Stat. 952.
26 U. S. C. § 1000
note.

as amended, in cases to which such paragraph is applicable, a general power of appointment created on or before October 21, 1942, shall have been partially released so that it is no longer a general power of appointment, the subsequent exercise of such power shall not be deemed to be the exercise of a general power of appointment.

“(2) POWERS CREATED AFTER OCTOBER 21, 1942.—The exercise of a general power of appointment created after October 21, 1942, or the release after May 31, 1951, of such a power, shall be deemed a transfer of property by the individual possessing such power. A disclaimer or renunciation of such a power of appointment shall not be deemed a release of such power.

“(3) DEFINITION OF GENERAL POWER OF APPOINTMENT.—For the purposes of this subsection the term ‘general power of appointment’ means a power which is exercisable in favor of the individual possessing the power (hereafter in this paragraph referred to as the ‘possessor’), his estate, his creditors, or the creditors of his estate; except that—

“(A) A power to consume, invade, or appropriate property for the benefit of the possessor which is limited by an ascertainable standard relating to the health, education, support, or maintenance of the possessor shall not be deemed a general power of appointment.

“(B) A power of appointment created on or before October 21, 1942, which is exercisable by the possessor only in conjunction with another person shall not be deemed a general power of appointment.

“(C) In the case of a power of appointment created after October 21, 1942, which is exercisable by the possessor only in conjunction with another person—

“(i) if the power is not exercisable by the possessor except in conjunction with the creator of the power—such power shall not be deemed a general power of appointment;

“(ii) if the power is not exercisable by the possessor except in conjunction with a person having a substantial interest, in the property subject to the power, which is adverse to exercise of the power in favor of the possessor—such power shall not be deemed a general power of appointment. For the purposes of this clause a person who, after the death of the possessor, may be possessed of a power of appointment (with respect to the property subject to the possessor’s power) which he may exercise in his own favor shall be deemed as having an interest in the property and such interest shall be deemed adverse to such exercise of the possessor’s power;

“(iii) if (after the application of clauses (i) and (ii)) the power is a general power of appointment and is exercisable in favor of such other person—such power shall be deemed a general power of appointment only in respect of a fractional part of the property subject to such power, such part to be determined by dividing the value of such property by the number of such persons (including the possessor) in favor of whom such power is exercisable.

For the purposes of clauses (ii) and (iii) a power shall be deemed to be exercisable in favor of a person if it is exercisable in favor of such person, his estate, his creditors, or the creditors of his estate.

“(4) CREATION OF ANOTHER POWER IN CERTAIN CASES.—If a power of appointment created after October 21, 1942, is exercised by creating another power of appointment which under the applicable local law can be validly exercised so as to postpone the vesting of any estate or interest in the property which was subject to the first power, or suspend the absolute ownership or power of alienation of such property, for a period ascertainable without regard to the date of the creation of the first power, such exercise of the first power shall, to the extent of the property subject to the second power, be deemed a transfer of property by the individual possessing such power.

“(5) LAPSE OF POWER.—The lapse of a power of appointment created after October 21, 1942, during the life of the individual possessing the power shall be considered a release of such power. The rule of the preceding sentence shall apply with respect to the lapse of powers during any calendar year only to the extent that the property which could have been appointed by exercise of such lapsed powers exceeds in value the greater of the following amounts:

“(A) \$5,000, or

“(B) 5 per centum of the aggregate value of the assets out of which, or the proceeds of which, the exercise of the lapsed powers could be satisfied.”

(b) DATE OF CREATION OF POWER.—For the purposes of this section a power of appointment created by a will executed on or before October 21, 1942, shall be considered a power created on or before such date if the person executing such will dies before July 1, 1949, without having republished such will, by codicil or otherwise, after October 21, 1942.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective as if made by section 452 (a) of the Revenue Act of 1942 on the date of its enactment (applicable with respect to gifts made in the calendar year 1943 and succeeding calendar years).

Approved June 28, 1951.

56 Stat. 952.
26 U. S. C. § 1000.

Public Law 59

CHAPTER 166

AN ACT

Authorizing the Secretary of the Interior to lease certain land in the State of Montana to the city of Poplar and the county of Roosevelt, Montana.

June 28, 1951
[H. R. 3033]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to lease for airport purposes to the city of Poplar and the county of Roosevelt, Montana, for a period of twenty-five years and upon such terms and conditions as may be agreed upon between the Secretary and such city and county, with the approval of the Fort Peck Executive Board, the following-described tract of land: The southeast quarter, and the east half of the southwest quarter of section 6, township 27 north, range 51 east, Montana principal meridian.

Poplar, Mont.
Lease of certain
land.

Approved June 28, 1951.