

Powers Vs. Commissioner

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Court : US Supreme Court

Decided On : Feb-03-1941

Appeal No. : 312 U.S. 259

Appellant : Powers

Respondent : Commissioner

Judgement :

Powers v. Commissioner - 312 U.S. 259 (1941)

U.S. Supreme Court Powers v. Commissioner, 312 U.S. 259 (1941)

Powers v. Commissioner

No. 486

Argued January 7, 1941

Decided February 3, 1941

312 U.S. 259

CERTIORARI TO THE CIRCUIT COURT OF APPEALS

FOR THE FIRST CIRCUIT

SYLLABUS

Determination of the criterion of "value" for the purposes of the gift tax under the Revenue Act of 1932 is a question of law, and a decision of the Board of Tax Appeals that, in the case of single premium policies of life insurance, irrevocably assigned as gifts shortly after issuance, the value of the gifts was the cash surrender value of the policies, was properly reversed by the Circuit Court of Appeals as "not in accordance with law." *Guggenheim v. Rasquin, ante*, p. [312 U. S. 254](#) . P. [312 U. S. 260](#) .

115 F.2d 209 affirmed.

Certiorari, 311 U.S. 640, to review the reversal of a decision of the Board of Tax Appeals setting aside a determination of a deficiency in a gift tax.

MR. JUSTICE DOUGLAS delivered the opinion of the Court.

The issue in this case is the same as that in *Guggenheim v. Rasquin, ante*, p. [312 U. S. 254](#) . Petitioner, in November and December, 1935, purchased single premium policies of insurance on her own life, and, late in December, 1935, irrevocably assigned them as gifts. The Commissioner determined a deficiency, claiming that the value of the policies for gift tax purposes was the cost of duplicating them at the dates of the gifts, not the cash surrender

Page 312 U. S. 260

value as reported by petitioner. The Board of Tax Appeals held that the value of the gifts was their cash surrender value. The Circuit Court of Appeals reversed. 115 F.2d 209. That judgment must be affirmed on the authority of *Guggenheim v. Rasquin, supra*, unless, as claimed by petitioner, the court below was precluded from substituting its judgment of value for that of the Board. *Helvering v. Rankin*, [295 U. S. 123](#) , [295 U. S. 131](#) . But the question of what criterion should be employed for determining the "value" of the gifts is a question of law. See *Lucas v. Alexander*, [279 U. S. 573](#) . Accordingly, the Circuit Court of Appeals was justified in reversing the decision of the Board as "not in accordance with law."

Int.Rev.Code 1939, 1141(c)(1), 53 Stat. 164.

Affirmed.

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