



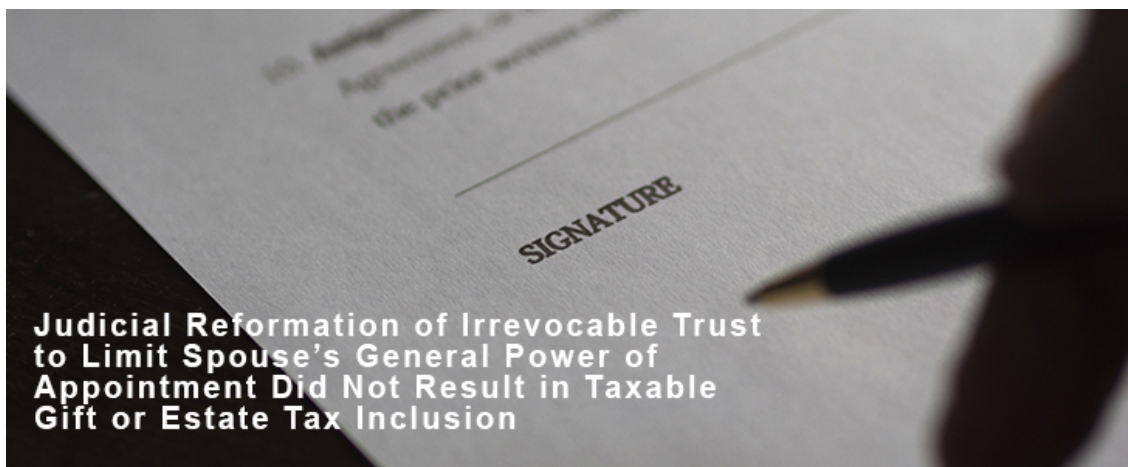
## **WRNewswire**

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### **Judicial Reformation of Irrevocable Trust to Limit Spouse’s General Power of Appointment Did Not Result in Taxable Gift or Estate Tax Inclusion**

In two recent PLRs, the IRS determined that (1) the power of appointment (**POA**) granted to the grantor’s spouse under an irrevocable trust, as reformed by a judicial reformation, did not constitute a general POA over the trust assets and thus would not result in inclusion in the spouse’s gross estate; and (2) the judicial reformation of the trust to correct a scrivener’s error – to limit the exercise of the spouse’s POA to persons other than the

spouse, the creditors of the spouse, and the creditors of the spouse's estate – was not an exercise or release of a general POA so as to constitute a gift by the grantor's spouse for federal gift tax purposes.

[View PLR 201737001](#)

[View PLR 201737008](#)

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