

### Internal Revenue Code Section 1563(e)(6)

#### Definitions and special rules

(e) Constructive ownership.

(6) Children, grandchildren, parents, and grandparents.

(A) Minor children. An individual shall be considered as owning stock owned, directly or indirectly, by or for his children who have not attained the age of 21 years, and, if the individual has not attained the age of 21 years, the stock owned, directly or indirectly, by or for his parents.

(B) Adult children and grandchildren. An individual who owns (within the meaning of subsection (d)(2), but without regard to this subparagraph) more than 50 percent of the total combined voting power of all classes of stock entitled to vote or more than 50 percent of the total value of shares of all classes of stock in a corporation shall be considered as owning the stock in such corporation owned, directly or indirectly, by or for his parents, grandparents, grandchildren, and children who have attained the age of 21 years.

(C) Adopted child. For purposes of this section, a legally adopted child of an individual shall be treated as a child of such individual by blood.