tax imposed on any taxable event with respect to that trustee’s QDOT, but is not personally liable for tax imposed with respect to taxable events involving QDOTs of which that person is not a trustee. However, the assets of any QDOT are subject to collection by the Internal Revenue Service for any tax resulting from a taxable event with respect to any other QDOT established with respect to the same decedent. The trustee may also be personally liable as a withholding agent under section 1461 or other applicable provisions of the Internal Revenue Code.

§ 20.2101–1 Estates of nonresidents not citizens; tax imposed.

(a) Imposition of tax. Section 2101 imposes a tax on the transfer of the taxable estate of a nonresident who is not a citizen of the United States at the time of death. In the case of estates of decedents dying after November 10, 1988, the tax is computed at the same rates as the tax that is imposed on the transfer of the taxable estate of a citizen or resident of the United States in accordance with the provisions of sections 2101(b) and (c). For the meaning of the terms resident, nonresident, and United States, as applied to a decedent for purposes of the estate tax, see §20.0–1(b)(1) and (2). For the liability of the executor for the payment of the tax, see section 2002. For special rules as to the phaseout of the graduated rates and unified credit, see sections 2001(c)(2) and 2101(b).

(b) Special rates in the case of certain decedents. In the case of an estate of a nonresident who was not a citizen of the United States and who died after December 31, 1976, and on or before November 10, 1988, the tax on the nonresident’s taxable estate is computed using the formula provided under section 2101(b), except that the rate schedule in paragraph (c) of this section is to be used in lieu of the rate schedule in section 2001(c).

(c) Rate schedule for decedents dying after December 31, 1976 and on or before November 10, 1988.

If the amount for which the tentative tax to be computed is: The tentative tax is:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Tentative Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $100,000</td>
<td>6% of such amount</td>
</tr>
<tr>
<td>Over $100,000 but not over $500,000</td>
<td>$6,000, plus 12% of excess over $100,000.</td>
</tr>
<tr>
<td>Over $500,000 but not over $1,000,000</td>
<td>$54,000, plus 18% of excess over $500,000.</td>
</tr>
<tr>
<td>Over $1,000,000 but not over $2,000,000</td>
<td>$144,000, plus 24% of excess over $1,000,000.</td>
</tr>
<tr>
<td>Over $2,000,000</td>
<td>$384,000, plus 30% of excess over $2,000,000.</td>
</tr>
</tbody>
</table>

[T.D. 8612, 60 FR 43551, Aug. 22, 1995]
§ 20.2102-1 Estates of nonresidents not citizens; credits against tax.

(a) In general. In arriving at the net estate tax payable with respect to the transfer of an estate of a nonresident who was not a citizen of the United States at the time of his death, the following credits are subtracted from the tax imposed by section 2101:

(1) The State death tax credit under section 2011, to the extent permitted by section 2102(b) and paragraph (b) of this section;

(2) The gift tax credit under section 2012; and

(3) The credit under section 2013 for tax on prior transfers.

Except as provided in section 2102(b) and paragraph (b) of this section (relating to a special limitation on the amount of the credit for State death taxes), the amount of each of these credits is determined in the same manner as that prescribed for its determination in the case of estates of citizens or residents of the United States. See §§20.2011–1 through 20.2013–6. Subject to the additional special limitation contained in section 2102(b) in the case of section 2015, the provisions of sections 2015 and 2016, relating respectively to the credit for death taxes on remainders and the recovery of taxes claimed as a credit, are applicable with respect to the credit for State death taxes in the case of the estates of nonresidents not citizens. However, no credit is allowed under section 2014 for foreign death taxes.

(b) Special limitation—(1) In general. In the case of estates of decedents dying on or after November 14, 1966, other than estates the estate tax treatment of which is subject to a Presidential proclamation made pursuant to section 2108(a), the maximum credit allowable under section 2011 for State death taxes against the tax imposed by section 2101 on the transfer of estates of nonresidents not citizens of the United States is an amount which bears the same ratio to the maximum credit computed as provided in section 2101(b) (and without regard to this special limitation) as the value of the property (determined in the same manner as that prescribed in paragraph (b) of § 20.2031–1 for the estates of citizens or residents of the United States) in respect of which a State death tax was actually paid and which is included in the gross estate under section 2103 or, if applicable, section 2107(b) bears to the value (as so determined) of the total gross estate under section 2103 or 2107(b). For purposes of this special limitation, the term “State death taxes” means the taxes described in section 2011(a) and paragraph (a) of §20.2011–1.

(2) Illustrations. The application of this paragraph may be illustrated by the following examples:

Example (1). A, a nonresident not a citizen of the United States, died on February 15, 1967, owning real property in State Z valued at $50,000 and stock in various domestic corporations valued at $100,000 and not subject to death taxes in any State. State Z’s inheritance tax actually paid with respect to the real property in State Z is $2,000. A’s taxable estate for Federal estate tax purposes is $110,000, in respect of which the maximum credit allowable under section 2101 would be $720 in the absence of the special limitation contained in section 2102(b). However, under section 2102(b) and this paragraph the amount of the maximum credit allowable in respect to A’s estate for State death taxes is limited to the amount which bears the same ratio to $720 (the maximum credit computed as provided in section 2101(b)) as $50,000 (the value of the property in respect of which a State death tax was actually paid and which is included in A’s gross estate under section 2103) bears to $150,000 (the value of A’s total gross estate under section 2103). Accordingly, the maximum credit allowable under section 2102 and this section for all State death taxes actually paid is $240 ($720×$50,000/$150,000).

Example (2). B, a nonresident not a citizen of the United States, died on January 15, 1967, owning real property in State X valued at $100,000, real property in State Y valued at $200,000, and stock in various domestic corporations valued at $300,000 and not subject to death taxes in any State. State X and Y both imposed inheritance taxes. State X has, in addition to its inheritance tax, an estate tax equal to the amount by which the maximum State death tax credit allowable to an estate against its Federal estate tax exceeds the amount of the inheritance tax imposed by State X plus the amount of death taxes paid to other States. State Y has no estate tax. The amount of the inheritance tax actually paid to State X with respect to the real property situated in State X is $4,000; the amount of the inheritance tax actually paid to State Y with respect to the real property situated in State Y is $9,000. B’s taxable estate for Federal estate tax purposes is $550,000, in respect of which the maximum