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amount of such taxes paid is taken into
consideration.

(2) The amount of the exemption de-
dpends upon the citizenship and resi-
dence of the transferor at the time of
his death. Except in the case of a de-
cedent described in section 2209 (relating
to certain residents of possessions of
the United States who are considered
nonresidents not citizens), if the de-
cedent was a citizen or resident of the
United States, the exemption is the
$60,000 authorized by section 2052 (or
the corresponding provisions of prior
law). If the decedent was a nonresident
not a citizen of the United States, or is
considered under section 2209 to have
been such a nonresident, the exemption
is the $30,000 or $2,000, as the case may
be, authorized by section 2106(a)(3) (or
the corresponding provisions of prior
law), or such larger amount as is au-
thorized by section 2106(a)(3)(B) or may
have been allowed as an exemption pur-
suant to the prorated exemption provi-
sions of an applicable death tax con-
vention. See §20.2052–1 and paragraph
(a)(3) of §20.2106–1.

(d) If the credit for tax on prior
transfers relates to property received
from two or more transferors, the pro-
visions of this section are to be applied
separately with respect to the property
received from each transferor. See
paragraph (b) of example (2) in §20.2013–
6.

(e) For illustrations of the applica-
tion of this section, see examples (1)

[T.D. 6296, 23 FR 4529, June 24, 1958; 25 FR
14021, Dec. 31, 1960, as amended by T.D. 7296,
38 FR 34191, Dec. 12, 1973]

§ 20.2013–3 “Second limitation”.

(a) The amount of the Federal estate
tax attributable to the transferred
property in the present decedent’s es-
tate is the “second limitation”. Thus,
the credit is limited to the difference
between—

(1) The net estate tax payable (see
paragraph (b)(5) or (c), as the case may
be, of §20.0–2) with respect to the
present decedent’s estate, determined
without regard to any credit for tax on
prior transfers under section 2013 or
any credit for foreign death taxes
claimed under the provisions of a death
tax convention, and

(b) If a charitable deduction is allow-
able to the estate of the present dece-
dent under the provisions of section
2055 or section 2106 (a)(2) (for estates of
nonresidents not citizens), for pur-
poses of determining the tax described in
paragraph (a)(2) of this section, the
charitable deduction otherwise allow-
able is reduced by an amount, E, which
bears the same ratio to F (the chari-
table deduction otherwise allowable) as
G (the value of the transferred prop-
erty (see §20.2013–4)) bears to H (the
value of the present decedent’s gross
estate reduced by the amount of the
deductions for expenses, indebtedness,
taxes, losses, etc., allowed under the
provisions of sections 2053 and 2054 or
section 2106(a)(1) (for estates of non-
residents not citizens)). See paragraph
(c)(2) of example (1) and paragraph
(c)(2) of example (2) in §20.2013–6.

(c) If the credit for tax on prior
transfers relates to property received
from two or more transferors, the prop-
erty received from all transferors is ag-
gregated in determining the limitation
on credit under this section (the “sec-
ond limitation’’). However, the limita-
tion so determined is apportioned to
the property received from each trans-
feror in the ratio that the property re-
cieved from each transferor bears to
the total property received from all
transferors. See paragraph (c) of exam-

(d) For illustrations of the applica-
tion of this section, see examples (1)

[T.D. 6296, 23 FR 4529, June 24, 1958; 25 FR
14021, Dec. 31, 1960, as amended by T.D. 7296,
38 FR 34191, Dec. 12, 1973]

§ 20.2013–4 Valuation of property
transferred.

(a) For purposes of section 2013 and
§§20.2013–1 to 20.2013–6, the value of the
property transferred to the decedent is