

“(a) If the annual rent paid by the United States is computed in accordance with subparagraph (1) hereinabove, then and in that event the United States shall pay no part of such costs;

“(b) If the annual rent paid by the United States is computed in accordance with subparagraph (2) hereinabove, then and in that event the United States shall pay to the city of Newark or if the property is then under lease, then to the city's then lessee three-fifths of such costs; and

“(c) If the annual rent paid by the United States is computed in accordance with subparagraph (3) hereinabove, the United States shall pay to the city of Newark or, if the property is then under lease, then to the city's then lessee so much of the said costs as is the same proportionate part of the total of such costs as the annual rental paid by the United States (less \$60,000) is of the annual fair rental value.

“In the computation of restoration costs damage caused by reasonable wear and tear, by action of the elements, or by circumstances beyond the control of the United States other than acts of war or of enemies of the United States, shall be excluded.

“If the United States and the city of Newark or its then lessee are unable to agree on the fair and reasonable restoration costs, then said costs shall be determined by the United States District Court in and for the District of New Jersey in accordance with the provisions of this Act and jurisdiction is conferred on that court for such purpose.”

SEC. 2. Nothing contained in this Act shall impair, or be construed to impair, in any manner whatsoever, any other right or rights the United States may now or hereafter possess to condemn, seize, lease, or otherwise take over the property in accordance with the applicable provisions of the laws of the United States.

SEC. 3. The Secretary of the Army is authorized to execute a supplement to the contract of sale entered into with the city of Newark, New Jersey, pursuant to the Act of June 20, 1936, in order to make effective the amendments made to said Act by this Act, but, in any event, the deed to be delivered to said city by the United States upon receipt of the final payment of the purchase price shall conform to these amendments.

Approved February 18, 1956.

Rights of U. S.

Contract supplement.

Public Law 414

CHAPTER 63

AN ACT

To amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes.

February 20, 1956
[H. R. 2667]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 208 (b) of the Technical Changes Act of 1953 is amended by striking out “1950” and inserting in lieu thereof “1947”.

(b) The amendment made by subsection (a) shall be effective as if enacted as a part of section 208 (b) of the Technical Changes Act of 1953.

SEC. 2. Section 2053 of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for expenses, indebtedness, and taxes) is hereby amended by redesignating subsection (d) to be subsection (e) and by adding after subsection (c) a new subsection as follows:

“(d) CERTAIN STATE DEATH TAXES.—

“(1) GENERAL RULE.—Notwithstanding the provisions of subsection (c) (1) (B) of this section, for purposes of the tax imposed

Technical Changes Act of 1953, amendment. 67 Stat. 624.

Effectivity.

68A Stat. 390.
26 USC 2053.

by section 2001 the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of any estate, succession, legacy or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106 (a) (2). The election shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

“(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a State death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided for in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106 (a) (2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106 (a) (2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106 (a) (2) are required to pay.

“(3) EFFECT OF DEDUCTION ON CREDIT FOR STATE DEATH TAXES.—See section 2011 (e) for the effect of a deduction taken under this subsection on the credit for State death taxes.”

58A Stat. 374.
26 USC 2011.

SEC. 3. Section 2011 of the Internal Revenue Code of 1954 is amended by adding after subsection (d) a new subsection as follows:

“(e) LIMITATION IN CASES INVOLVING DEDUCTION UNDER SECTION 2053 (d).—In any case where a deduction is allowed under section 2053 (d) for an estate, succession, legacy, or inheritance tax imposed upon a transfer for public, charitable, or religious uses described in section 2055 or 2106 (a) (2), the allowance of the credit under this section shall be subject to the following conditions and limitations:

“(1) The taxes described in subsection (a) shall not include any estate, succession, legacy, or inheritance tax for which a deduction is allowed under section 2053 (d).

“(2) The credit shall not exceed the lesser of—

“(A) the amount stated in subsection (b) on a taxable estate determined by allowing the deduction authorized by section 2053 (d), or

“(B) that proportion of the amount stated in subsection (b) on a taxable estate determined without regard to the deduction authorized by section 2053 (d) as (i) the amount of the taxes described in subsection (a), as limited by the provisions of paragraph (1) of this subsection, bears to (ii) the amount of the taxes described in subsection (a) before applying the limitation contained in paragraph (1) of this subsection.

“(3) If the amount determined under subparagraph (B) of paragraph (2) is less than the amount determined under subparagraph (A) of that paragraph, then for purposes of subsection (d) such lesser amount shall be the maximum credit provided by subsection (b).”

SEC. 4. The amendments to the Internal Revenue Code of 1954 made by sections 2 and 3 of this Act, and provisions having the same effect as this amendment, which shall be considered to be included in chapter 3 of the Internal Revenue Code of 1939, shall apply to the estates of all decedents dying after December 31, 1953.

Approved February 20, 1956.

Effectivity.

26 USC app. 811
et seq; post p. 26.

Public Law 415

CHAPTER 64

AN ACT

February 20, 1956
[H. R. 6043]

To amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 216 (b) of the Merchant Marine Act, 1936, as amended (U. S. C., title 46, sec. 1126), is amended to read as follows:

Merchant Marine
Academy.
53 Stat. 1183.

“(b) (1) The Secretary of Commerce shall maintain a Merchant Marine Academy at Kings Point, New York, for the instruction and preparation for service in the merchant marine of selected persons as officers thereof. Competitive examinations shall be held annually among those persons nominated as candidates to the Academy by Senators and Representatives. The number of vacancies allocated to each State shall be proportioned to the representation in Congress from that State. Appointments from each State shall be made by the Secretary of Commerce from among qualified candidates nominated from that State in the order of merit established by the examinations. In case vacancies remain after the appointments under the preceding sentence have been made, the Secretary of Commerce shall fill them by appointments from qualified candidates from other States.

Maintenance.

“(2) In connection with such instruction and as a part thereof, the Secretary of Commerce is authorized to provide for training of merchant marine cadets on Government-owned and subsidized vessels and, in cooperation with other governmental and private agencies, on other vessels, and, for instructional purposes only, in shipyards, plants, and industrial and educational organizations under rules and regulations prescribed by the Secretary of Commerce and upon such terms as the Secretary of Commerce may arrange, and expenditures incident to such training are hereby authorized.

Training.

“(3) Cadets appointed to the United States Merchant Marine Academy may be appointed by the Secretary of the Navy as Reserve midshipmen in the United States Navy and may be commissioned as Reserve ensigns in the United States Navy upon graduation from the Academy.

Appointments,
etc.

“(4) Cadets at the United States Merchant Marine Academy shall receive allowances for all required uniforms and textbooks as prescribed by rules and regulations under this Act, and to transportation, including reimbursement of traveling expenses, while traveling under orders as a cadet.

Allowances.

“(5) (a) ‘Representative’ as used in this Act shall include Delegates to the House of Representatives from Alaska and Hawaii and the Resident Commissioner from the Commonwealth of Puerto Rico.

“Representa-
tive”.

“(b) ‘State’ as used in this Act shall include Territories of Alaska, Hawaii, and the Commonwealth of Puerto Rico.”

“State”.

Approved February 20, 1956.