

70A Stat. 285.

(2) Section 5133 is amended by striking out in the second sentence of subsection (a) the words "Bureau of Aeronautics" and inserting in lieu thereof the words "Bureau of Naval Weapons".

70A Stat. 286,  
289.  
Repeal.

(3) Sections 5136 and 5144 are repealed.

(4) The analysis is amended by striking out the following items:

"5136. Bureau of Aeronautics: Chief; Deputy Chief.  
"5144. Bureau of Ordnance: Chief; Deputy Chief."

Transfer of  
funds.

SEC. 3. The unexpended balances of appropriations and funds available for use in connection with the exercise of any function transferred to the Bureau of Naval Weapons shall be transferred in the manner provided by section 407 of the National Security Act of 1947, as amended (5 U.S.C. 172f), for use in connection with the transferred functions.

63 Stat. 585.

Approved August 18, 1959.

# Public Law 86-175

## AN ACT

August 21, 1959  
[H. R. 137]

To allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes.

Taxes.  
Estate tax de-  
duction.  
70 Stat. 23.  
26 USC 2053.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2053(d) of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for certain State death taxes) is amended to read as follows:

"(d) CERTAIN STATE AND FOREIGN DEATH TAXES.—

68A Stat. 373.

68A Stat. 803.

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

68A Stat. 390,  
398.

"(A) any estate, succession, legacy, or inheritance tax imposed by a State or Territory or the District of Columbia upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106(a) (2), and

"(B) any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055.

68A Stat. 397-  
400.

The determination under subparagraph (B) of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph 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 or a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided 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.

68A Stat. 373.

68A Stat. 390,  
398.

"(3) **EFFECT ON CREDITS FOR STATE AND FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.**—

"(A) **ELECTION.**—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

"(B) **CROSS REFERENCES.**—

"See section 2011(e) for the effect of a deduction taken under this subsection on the credit for State death taxes, and see section 2014(f) for the effect of a deduction taken under this subsection on the credit for foreign death taxes."

SEC. 2. Section 2014 of the Internal Revenue Code of 1954 (relating to credit for foreign death taxes) is amended by relettering subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

68A Stat. 378;  
72 Stat. 1674.

"(f) **ADDITIONAL LIMITATION IN CASES INVOLVING A 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 by and actually paid to any foreign country upon a transfer by the decedent for public, charitable, or religious uses described in section 2055, the property described in subparagraphs (A), (B), and (C) of paragraphs (1) and (2) of subsection (b) of this section shall not include any property in respect of which such deduction is allowed under section 2053(d)."

70 Stat. 23.

70 Stat. 1075.

SEC. 3. Section 2011(e) of the Internal Revenue Code of 1954 (relating to limitation on credit for State death taxes) is amended—

70 Stat. 24.

(1) by striking out "imposed upon a transfer" and inserting in lieu thereof "imposed by a State or Territory or the District of Columbia upon a transfer";

(2) by striking out "for which a deduction" in paragraph (1) and inserting in lieu thereof "for which such deduction";

(3) by striking out "the deduction authorized by" each place it appears in paragraph (2) and inserting in lieu thereof "such deduction authorized by".

SEC. 4. The amendments made by the preceding sections of this Act shall apply with respect to the estates of decedents dying on or after July 1, 1955.

Effective date.

Approved August 21, 1959.