

1988—Subsec. (c). Pub. L. 100-647 substituted “subparagraph (A), (C), or (D) of section 861(a)(1)” for “section 861(a)(1)(B), section 861(a)(1)(G), or section 861(a)(1)(H)”.

1976—Subsec. (b). Pub. L. 94-455 substituted “and transfers within 3 years of death” for “and transfers in contemplation of death” after “Revocable transfers”.

1975—Subsec. (c). Pub. L. 93-625 inserted reference to section 861(a)(1)(H) of this title in last sentence.

1973—Subsec. (c). Pub. L. 93-17 made subsec. (c) inapplicable to debt obligations where interest on such obligations is treated as income from sources without the United States by reason of section 861(a)(1)(G) of this title.

1969—Subsec. (c). Pub. L. 91-172 substituted “December 31, 1969” for “December 31, 1972” in provisions deeming deposit with a domestic branch of a foreign corporation if such branch is engaged in the commercial banking business to be property within the United States.

1966—Subsec. (c). Pub. L. 89-809 added subsec. (c).

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-226 applicable to taxable years beginning after Dec. 31, 2010, with certain exceptions, see section 217(d) of Pub. L. 111-226, set out as a note under section 861 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 not applicable to transfers made before Jan. 1, 1977, see section 2001(d)(1) of Pub. L. 94-455, set out as a note under section 2001 of this title.

EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 93-625 applicable with respect to estates of decedents dying after Jan. 3, 1975, see section 9(c) of Pub. L. 93-625, set out as a note under section 861 of this title.

EFFECTIVE DATE OF 1973 AMENDMENT

Pub. L. 93-17, §3(a)(2), Apr. 10, 1973, 87 Stat. 12, provided that: “The amendment made by paragraph (1) [amending this section] shall apply with respect to estates of decedents dying after December 31, 1972, except that in the case of the assumption of a debt obligation of a foreign corporation which is treated as issued under section 4912(c)(2) after December 31, 1972, and before January 1, 1974, the amendment made by paragraph (1) [amending this section] shall apply with respect to estates of decedents dying after December 31, 1973.”

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-809 applicable with respect to estates of decedents dying after Nov. 13, 1966, see section 108(i) of Pub. L. 89-809, set out as a note under section 2101 of this title.

SHORT TITLE OF 1973 AMENDMENT

Pub. L. 93-17, §1(a), Apr. 10, 1973, 87 Stat. 12, provided that: “This Act [enacting sections 4922 and 6689 of this title, amending this section and sections 4911, 4912, 4914, 4915, 4916, 4918, 4919, 4920, and 6611 of this title, and enacting provisions set out as notes under this section] may be cited as the ‘Interest Equalization Tax Extension Act of 1973.’”

§ 2105. Property without the United States

(a) Proceeds of life insurance

For purposes of this subchapter, the amount receivable as insurance on the life of a non-

resident not a citizen of the United States shall not be deemed property within the United States.

(b) Bank deposits and certain other debt obligations

For purposes of this subchapter, the following shall not be deemed property within the United States—

(1) amounts described in section 871(i)(3), if any interest thereon would not be subject to tax by reason of section 871(i)(1) were such interest received by the decedent at the time of his death,

(2) deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business,

(3) debt obligations, if, without regard to whether a statement meeting the requirements of section 871(h)(5) has been received, any interest thereon would be eligible for the exemption from tax under section 871(h)(1) were such interest received by the decedent at the time of his death, and

(4) obligations which would be original issue discount obligations as defined in section 871(g)(1) but for subparagraph (B)(i) thereof, if any interest thereon (were such interest received by the decedent at the time of his death) would not be effectively connected with the conduct of a trade or business within the United States.

Notwithstanding the preceding sentence, if any portion of the interest on an obligation referred to in paragraph (3) would not be eligible for the exemption referred to in paragraph (3) by reason of section 871(h)(4) if the interest were received by the decedent at the time of his death, then an appropriate portion (as determined in a manner prescribed by the Secretary) of the value (as determined for purposes of this chapter) of such debt obligation shall be deemed property within the United States.

(c) Works of art on loan for exhibition

For purposes of this subchapter, works of art owned by a nonresident not a citizen of the United States shall not be deemed property within the United States if such works of art are—

(1) imported into the United States solely for exhibition purposes,

(2) loaned for such purposes, to a public gallery or museum, no part of the net earnings of which inures to the benefit of any private stockholder or individual, and

(3) at the time of the death of the owner, on exhibition, or en route to or from exhibition, in such a public gallery or museum.

(d) Stock in a RIC

(1) In general

For purposes of this subchapter, stock in a regulated investment company (as defined in section 851) owned by a nonresident not a citizen of the United States shall not be deemed property within the United States in the proportion that, at the end of the quarter of such investment company's taxable year immediately preceding a decedent's date of death

(or at such other time as the Secretary may designate in regulations), the assets of the investment company that were qualifying assets with respect to the decedent bore to the total assets of the investment company.

(2) Qualifying assets

For purposes of this subsection, qualifying assets with respect to a decedent are assets that, if owned directly by the decedent, would have been—

(A) amounts, deposits, or debt obligations described in subsection (b) of this section,

(B) debt obligations described in the last sentence of section 2104(c), or

(C) other property not within the United States.

(3) Termination

This subsection shall not apply to estates of decedents dying after December 31, 2011.

(Aug. 16, 1954, ch. 736, 68A Stat. 397; Pub. L. 89-809, title I, §108(d), Nov. 13, 1966, 80 Stat. 1572; Pub. L. 98-369, div. A, title I, §127(d), July 18, 1984, 98 Stat. 651; Pub. L. 100-647, title I, §1012(g)(4), Nov. 10, 1988, 102 Stat. 3501; Pub. L. 103-66, title XIII, §13237(b), Aug. 10, 1993, 107 Stat. 508; Pub. L. 105-34, title XIII, §1304(a), Aug. 5, 1997, 111 Stat. 1040; Pub. L. 108-357, title IV, §411(b), Oct. 22, 2004, 118 Stat. 1504; Pub. L. 110-343, div. C, title II, §207(a), Oct. 3, 2008, 122 Stat. 3865; Pub. L. 111-312, title VII, §726(a), Dec. 17, 2010, 124 Stat. 3316.)

AMENDMENTS

2010—Subsec. (d)(3). Pub. L. 111-312 substituted “December 31, 2011” for “December 31, 2009”.

2008—Subsec. (d)(3). Pub. L. 110-343 substituted “December 31, 2009” for “December 31, 2007”.

2004—Subsec. (d). Pub. L. 108-357 added subsec. (d).

1997—Subsec. (b)(4). Pub. L. 105-34 added par. (4).

1993—Subsec. (b). Pub. L. 103-66 substituted “this subchapter, the following shall not be deemed property within the United States” for “this subchapter” in introductory provisions, added par. (3) and concluding provisions, and struck out former par. (3) and concluding provisions which read as follows:

“(3) debt obligations, if, without regard to whether a statement meeting the requirements of section 871(h)(4) has been received, any interest thereon would be eligible for the exemption from tax under section 871(h)(1) were such interest received by the decedent at the time of his death, shall not be deemed property within the United States.”

1988—Subsec. (b)(1). Pub. L. 100-647 substituted “section 871(i)(3), if any interest thereon would not be subject to tax by reason of section 871(i)(1)” for “section 861(c), if any interest thereon would be treated by reason of section 861(a)(1)(A) as income from sources without the United States”.

1984—Subsec. (b). Pub. L. 98-369, amended subsec. (b) generally, substituting “Bank deposits and certain other debt obligations” for “Certain bank deposits, etc.” in heading and “, if any interest thereon would be treated by reason of section 861(a)(1)(A) as income from sources without the United States were such interest received by the decedent at the time of his death,” for “if any interest thereon, were such interest received by the decedent at the time of his death, would be treated by reason of section 861(a)(1)(A) as income from sources without the United States, and” in par. (1), inserting “and” after “business,” in par. (2), and adding par. (3).

1966—Subsec. (b). Pub. L. 89-809 substituted amounts described in section 861(c) if any interest thereon, were such interest received by the decedent at the time of

his death, would be treated by reason of section 861(a)(1)(A) as income from sources without the United States, and deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business for moneys deposited with any person carrying on the banking business by or for a nonresident not a citizen of the United States who was not engaged in business in the United States at the time of his death as the property not to be deemed property within the United States for purposes of this subchapter.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §726(b), Dec. 17, 2010, 124 Stat. 3317, provided that: “The amendment made by this section [amending this section] shall apply to estates of decedents dying after December 31, 2009.”

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. C, title II, §207(b), Oct. 3, 2008, 122 Stat. 3865, provided that: “The amendment made by this section [amending this section] shall apply to decedents dying after December 31, 2007.”

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-357 applicable to estates of decedents dying after Dec. 31, 2004, see section 411(d)(2) of Pub. L. 108-357, set out as a note under section 871 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-34, title XIII, §1304(b), Aug. 5, 1997, 111 Stat. 1040, provided that: “The amendment made by this section [amending this section] shall apply to estates of decedents dying after the date of the enactment of this Act [Aug. 5, 1997].”

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 applicable to the estates of decedents dying after Dec. 31, 1993, see section 13237(d) of Pub. L. 103-66, set out as a note under section 871 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to obligations issued after July 18, 1984, with respect to the estates of decedents dying after such date, see section 127(g)(2) of Pub. L. 98-369, set out as a note under section 871 of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-809 applicable with respect to estates of decedents dying after Nov. 13, 1966, see section 108(i) of Pub. L. 89-809, set out as a note under section 2101 of this title.

§ 2106. Taxable estate

(a) Definition of taxable estate

For purposes of the tax imposed by section 2101, the value of the taxable estate of every decedent nonresident not a citizen of the United States shall be determined by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) Expenses, losses, indebtedness, and taxes

That proportion of the deductions specified in sections 2053 and 2054 (other than the deduc-