

**Editorial Notes**

## AMENDMENTS

2002—Subsec. (d)(3)(B). Pub. L. 107-134 substituted “section 2011(d)” for “section 2011(e)”.

2001—Subsec. (d). Pub. L. 107-16 substituted “Certain foreign death taxes” for “Certain State and foreign death taxes” in heading and amended text generally, revising and restating provisions of pars. (1) to (3) so as to eliminate provisions relating to deduction for State death taxes.

1997—Subsec. (c)(1)(B). Pub. L. 105-34, §1073(b)(3), struck out at end “This subparagraph shall not apply to any increase in the tax imposed by this chapter by reason of section 4980A(d).”

Subsec. (c)(1)(D). Pub. L. 105-34, §503(b)(1), added subpar. (D).

1988—Subsec. (c)(1)(B). Pub. L. 100-647, inserted at end “This subparagraph shall not apply to any increase in the tax imposed by this chapter by reason of section 4980A(d).”

1984—Subsec. (c)(1)(C). Pub. L. 98-369, §1027(b), added subpar. (C).

Subsec. (e). Pub. L. 98-369, §425(a)(2), substituted “For provisions treating certain relinquishments of marital rights as consideration in money or money’s worth, see section 2043(b)(2)” for “For provisions that relinquishment of marital rights shall not be deemed a consideration ‘in money or money’s worth,’ see section 2043(b).”

1976—Subsec. (d)(1). Pub. L. 94-455 struck out “or his delegate” after “Secretary” in provisions preceding subpar. (A) and following subpar. (B) and struck out “or Territory” after “a State” in subpar. (A).

1959—Subsec. (d). Pub. L. 86-175 inserted a reference to foreign death taxes in heading of subsection and par. (3) and in text of par. (2), redesignated provisions of par. (1) as par. (1)(A) and sentence pertaining to exercise of privilege of election, added par. (2) and sentence for determining location of property, redesignated provisions of par. (3) as par. (3)(B) in part, and added par. (3)(A) and the part of (B) relating to foreign death taxes.

1958—Subsec. (d)(1). Pub. L. 85-866 struck out “or any possession of the United States,” after “District of Columbia.”

1956—Subsecs. (d), (e). Act Feb. 20, 1956, added subsec. (d) and redesignated former subsec. (d) as (e).

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-134, title I, §103(d), Jan. 23, 2002, 115 Stat. 2431, provided that:

“(1) EFFECTIVE DATE.—The amendments made by this section [amending this section and sections 2011 and 2201 of this title] shall apply to estates of decedents—

“(A) dying on or after September 11, 2001; and

“(B) in the case of individuals dying as a result of the April 19, 1995, terrorist attack, dying on or after April 19, 1995.

“(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act [Jan. 23, 2002] by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.”

## EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 applicable to estates of decedents dying, and generation-skipping transfers, after Dec. 31, 2004, see section 532(d) of Pub. L. 107-16, set out as a note under section 2012 of this title.

## EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 503(b)(1) of Pub. L. 105-34 applicable to estates of decedents dying after Dec. 31,

1997, with special rule in case of estate of any decedent dying before Jan. 1, 1998, with respect to which there is an election under section 6166 of this title, see section 503(d) of Pub. L. 105-34, set out as a note under section 163 of this title.

Amendment by section 1073(b)(3) of Pub. L. 105-34 applicable to estates of decedents dying after Dec. 31, 1996, see section 1073(c) of Pub. L. 105-34, set out as an Effective Date of Repeal note under section 4980A 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 section 425(a)(2) of Pub. L. 98-369 applicable to estates of decedents dying after July 18, 1984, see section 425(c)(1) of Pub. L. 98-369, set out as a note under section 2043 of this title.

Pub. L. 98-369, div. A, title X, §1027(c), July 18, 1984, 98 Stat. 1032, provided that: “The amendments made by this section [amending this section and section 2056 of this title] shall take effect as if included in the amendment made by section 403 of the Economic Recovery Tax Act of 1981 [section 403 of Pub. L. 97-34, see Effective Date of 1981 Amendment note set out under section 2056 of this title].”

## EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1902(a)(12)(B) of Pub. L. 94-455 applicable to estates of decedents dying after Oct. 4, 1976, see section 1902(c)(1) of Pub. L. 94-455, set out as a note under section 2012 of this title.

## EFFECTIVE DATE OF 1959 AMENDMENT

Pub. L. 86-175, §4, Aug. 21, 1959, 73 Stat. 397, provided that: “The amendments made by the preceding sections of this Act [amending this section and sections 2011 and 2014 of this title] shall apply with respect to the estates of decedents dying on or after July 1, 1955.”

## EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-866 applicable to estates of decedents dying after Sept. 2, 1958, see section 102(d) of Pub. L. 85-866, set out as a note under section 2014 of this title.

## EFFECTIVE DATE OF 1956 AMENDMENT

Act Feb. 20, 1956, ch. 63, §4, 70 Stat. 25, as amended by act Oct. 22, 1986, Pub. L. 99-514, §2, 100 Stat. 2095, provided that: “The amendments to the Internal Revenue Code of 1986 [formerly I.R.C. 1954] made by sections 2 and 3 of this Act [amending this section and section 2011 of this title], 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.”

**§ 2054. Losses**

For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate losses incurred during the settlement of estates arising from fires, storms, shipwrecks, or other casualties, or from theft, when such losses are not compensated for by insurance or otherwise.

(Aug. 16, 1954, ch. 736, 68A Stat. 390.)

**§ 2055. Transfers for public, charitable, and religious uses**

**(a) In general**

For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of all bequests, legacies, devises, or transfers—

(1) to or for the use of the United States, any State, any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(2) to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, which is not disqualified for tax exemption under section 501(c)(3) by reason of attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office;

(3) to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, such trust, fraternal society, order, or association would not be disqualified for tax exemption under section 501(c)(3) by reason of attempting to influence legislation, and such trustee or trustees, or such fraternal society, order, or association, does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office;

(4) to or for the use of any veterans' organization incorporated by Act of Congress, or of its departments or local chapters or posts, no part of the net earnings of which inures to the benefit of any private shareholder or individual; or

(5) to an employee stock ownership plan if such transfer qualifies as a qualified gratuitous transfer of qualified employer securities within the meaning of section 664(g).

For purposes of this subsection, the complete termination before the date prescribed for the filing of the estate tax return of a power to consume, invade, or appropriate property for the benefit of an individual before such power has been exercised by reason of the death of such individual or for any other reason shall be considered and deemed to be a qualified disclaimer with the same full force and effect as though he had filed such qualified disclaimer. Rules similar to the rules of section 501(j) shall apply for purposes of paragraph (2).

**(b) Powers of appointment**

Property includible in the decedent's gross estate under section 2041 (relating to powers of appointment) received by a donee described in this section shall, for purposes of this section, be considered a bequest of such decedent.

**(c) Death taxes payable out of bequests**

If the tax imposed by section 2001, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this section, then the amount deductible under this section shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

**(d) Limitation on deduction**

The amount of the deduction under this section for any transfer shall not exceed the value of the transferred property required to be included in the gross estate.

**(e) Disallowance of deductions in certain cases**

(1) No deduction shall be allowed under this section for a transfer to or for the use of an organization or trust described in section 508(d) or 4948(c)(4) subject to the conditions specified in such sections.

(2) Where an interest in property (other than an interest described in section 170(f)(3)(B)) passes or has passed from the decedent to a person, or for a use, described in subsection (a), and an interest (other than an interest which is extinguished upon the decedent's death) in the same property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to a person, or for a use, not described in subsection (a), no deduction shall be allowed under this section for the interest which passes or has passed to the person, or for the use, described in subsection (a) unless—

(A) in the case of a remainder interest, such interest is in a trust which is a charitable remainder annuity trust or a charitable remainder unitrust (described in section 664) or a pooled income fund (described in section 642(c)(5)), or

(B) in the case of any other interest, such interest is in the form of a guaranteed annuity or is a fixed percentage distributed yearly of the fair market value of the property (to be determined yearly).

**(3) REFORMATIONS TO COMPLY WITH PARAGRAPH (2).—**

(A) IN GENERAL.—A deduction shall be allowed under subsection (a) in respect of any qualified reformation.

(B) QUALIFIED REFORMATION.—For purposes of this paragraph, the term "qualified reformation" means a change of a governing instrument by reformation, amendment, construction, or otherwise which changes a reformable interest into a qualified interest but only if—

(i) any difference between—

(I) the actuarial value (determined as of the date of the decedent's death) of the qualified interest, and