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Rules and Regulations

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER B—ESTATE AND GIFT TAXES [T.D. 6600]

PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AU- GUST 16, 1954

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Miscellaneous Amendments

On January 9, 1962, a notice of proposed rule making was published in the *FEDERAL REGISTER* (27 F.R. 232), with respect to conforming the Estate Tax Regulations (26 CFR Part 20) to Act of August 7, 1959 (Public Law 86-141, 73 Stat. 288) and Act of August 21, 1959 (Public Law 86-175, 73 Stat. 396); to prescribe Estate Tax Regulations and Gift Tax Regulations under section 6165 of the Internal Revenue Code relating to bonds, and under sections 6061, 6065, and 6091 relating to signing, verification, and place for filing of returns and other documents; and to change cross references. After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, amendment of the regulations as proposed is hereby adopted, subject to the change set forth below:

Section 20.2053-10 is revised by changing paragraph (b) (2).

(Sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] **BERTRAND M. HARDING,**
Acting Commissioner
of Internal Revenue.

Approved: May 23, 1962.

STANLEY S. SURREY,
Assistant Secretary of the
Treasury.

In order to conform the Estate Tax Regulations (26 CFR Part 20) to Act of August 7, 1959 (Public Law 86-141, 73 Stat. 288); Act of August 21, 1959 (Public Law 86-175, 73 Stat. 396); to prescribe Estate Tax Regulations and Gift Tax Regulations under section 6165 of the Internal Revenue Code relating to bonds, and under sections 6061, 6065, and 6091 relating to signing, verification, and place for filing of returns and other documents; and to change cross-references such regulations are amended as follows:

ESTATE TAX REGULATIONS

PARAGRAPH 1. Section 20.2011 is amended by revising section 2011(e) and the historical note to read as follows:

§ 20.2011 Statutory provisions; credit for State death taxes.

Sec. 2011. Credit for State death taxes * * *
(e) Limitation in cases involving deduc-

tion 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 a State or Territory or the District of Columbia 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 such 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 such 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 such 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. 2011 as amended by sec. 3, Act of Feb. 20, 1956 (Public Law 414, 84th Cong., 70 Stat. 24); secs. 65(a) and 102(c)(1), Technical Amendments Act 1958 (72 Stat. 1657, 1674); sec. 3, Act of Aug. 21, 1959 (Public Law 86-175, 73 Stat. 397)]

PAR. 2. Section 20.2011-2 is revised to read as follows:

§ 20.2011-2 Limitation on credit if a deduction for State death taxes is allowed under section 2053(d).

If a deduction is allowed under section 2053(d) for State death taxes paid with respect to a charitable gift, the credit for State death taxes is subject to special limitations. Under these limitations, the credit cannot exceed the least of the following:

(a) The amount of State death taxes paid other than those for which a deduction is allowed under section 2053(d);

(b) The amount indicated in section 2011(b) to be the maximum credit allowable with respect to the decedent's taxable estate; or

(c) An amount, A, which bears the same ratio to B (the amount which would be the maximum credit allowable under section 2011(b) if the deduction under section 2053(d) for State death taxes were not allowed in computing the decedent's taxable estate) as C (the amount of State death taxes paid other than those for which a deduction is allowed under section 2053(d)) bears to D (the total amount of State death taxes paid). For the purpose of this computation, in determining what the decedent's taxable estate would be if the

deduction for State death taxes under section 2053(d) were not allowed, adjustment must be made for the decrease in the deduction for charitable gifts under section 2055 or 2106(a) (2) (for estates of nonresidents not citizens) by reason of any increase in Federal estate tax which would be charged against the charitable gifts.

The application of this section may be illustrated by the following example:

EXAMPLE. The decedent died January 1, 1955, leaving a gross estate of \$925,000. Expenses, indebtedness, etc., amounted to \$25,000. The decedent bequeathed \$400,000 to his son with the direction that the son bear the State death taxes on the bequest. The residuary estate was left to a charitable organization. Except as noted above, all Federal and State death taxes were payable out of the residuary estate. The State imposed death taxes of \$60,000 on the son's bequest and death taxes of \$75,000 on the bequest to charity. No death taxes were imposed by a foreign country with respect to any property in the gross estate. The decedent's taxable estate (determined without regard to the limitation imposed by section 2011(e) (2) (B)) is computed as follows:

PAR. 3. In § 20.2014 section 2014 is revised by deleting subsection (f) and the historical note and by substituting the following:

§ 20.2014 Statutory provisions; credit for foreign death taxes.

Sec. 2014. Credit for foreign death taxes * * *

(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).

(g) Possession of United States deemed a foreign country. For purposes of the credits authorized by this section, each possession of the United States shall be deemed to be a foreign country.

[Sec. 2014 as amended by sec. 102(c)(2), Technical Amendments Act 1958 (72 Stat. 1674); sec. 2, Act of Aug. 21, 1959 (Public Law 86-175, 73 Stat. 397)]

PAR. 4. Paragraph (a) of § 20.2014-1 is amended by inserting new subparagraph (4) to read as follows:

§ 20.2014-1 Credit for foreign death taxes.

(a) In general. * * *

(4) Where a deduction is allowed under section 2053(d) for foreign death taxes paid with respect to a charitable gift, the credit for foreign death taxes is subject to further limitations as explained in § 20.2014-7.

PAR. 5. Paragraph (a) of § 20.2014-2 is amended to read as follows:

§ 20.2014-2 "First limitation".

(a) The amount of a particular foreign death tax attributable to property situated in the country imposing the tax and included in the decedent's gross estate for Federal estate tax purposes is the "first limitation." Thus, the credit for any foreign death tax is limited to an amount, A, which bears the same ratio to B (the amount of the foreign death

tax without allowance of credit, if any, for Federal estate tax) as C (the value of the property situated in the country imposing the foreign death tax, subjected to the foreign death tax, included in the gross estate and for which a deduction is not allowed under section 2053(d)) bears to D (the value of all property subjected to the foreign death tax). Stated algebraically, the "first limitation" (A) equals—

$$\frac{\text{Value of property in foreign country subjected to foreign death tax, included in gross estate and for which a deduction is not allowed under section 2053(d) (C)}}{\text{Value of all property subjected to foreign death tax (D)}} \times \text{Amount of foreign death tax (B)}$$

The values used in this proportion are the values determined for the purpose of the foreign death tax. The amount of the foreign death tax for which credit is allowable must be converted into United States money. The application of this paragraph may be illustrated by the following example:

PAR. 6. Paragraph (b) of § 20.2014-3 is amended to read as follows:

§ 20.2014-3 "Second limitation".

(b) Adjustment is required to factor "G" of the ratio stated in paragraph (a) of this section if a deduction for foreign death taxes under section 2053(d), a charitable deduction under section 2055, or a marital deduction under section 2056 is allowed with respect to the foreign property. If a deduction for foreign death taxes is allowed, the value of the property situated in the foreign country, subjected to foreign death tax, and included in the gross estate does not include the value of any property in respect of which the deduction for foreign death taxes is allowed. See § 20.2014-7. If a charitable deduction or a marital deduction is allowed, the value of such foreign property (after exclusion of the value of any property in respect of which the deduction for foreign death taxes is allowed) is reduced as follows:

(1) If a charitable deduction or a marital deduction is allowed to a decedent's estate with respect to any part of the foreign property, except foreign property in respect of which a deduction for foreign death taxes is allowed, specifically bequeathed, devised, or other-

PAR. 7. Immediately after § 20.2014-6 insert the following new section:

§ 20.2014-7 Limitation on credit if a deduction for foreign death taxes is allowed under section 2053(d).

If a deduction is allowed under section 2053(d) for foreign death taxes paid with respect to a charitable gift, the credit for foreign death taxes is subject to special limitations. In such a case the property described in subparagraphs (A), (B), and (C) of paragraphs (1) and (2) of section 2014(b) shall not include any property with respect to which a deduction is allowed under section 2053(d). The application of this section may be illustrated by the following example:

EXAMPLE. The decedent, a citizen of the United States, died July 1, 1955, leaving a

gross estate of \$1,200,000 consisting of: Shares of stock issued by United States corporations, valued at \$600,000; bonds issued by the United States Government physically located in the United States, valued at \$300,000; and shares of stock issued by a Country X corporation, valued at \$300,000. Expenses, indebtedness, etc., amounted to \$40,000. The decedent made specific bequests of \$400,000 of the United States corporation stock to a niece and \$100,000 of the Country X corporation stock to a nephew. The residue of his estate was left to charity. There is no death tax convention in existence between the United States and Country X. The Country X tax imposed was at a 50-percent rate on all beneficiaries. A State inheritance tax of \$20,000 was imposed on the niece and nephew. The decedent did not provide in his will for the payment of the death taxes, and under local law the Federal estate tax is payable from the general estate, the same as administration expenses.

DISTRIBUTION OF THE ESTATE

Gross estate	\$1,200,000.00
Debts and charges	40,000.00
Bequest of U.S. corporation stock to niece	400,000.00
Bequest of country X corporation stock to nephew	100,000.00
Net Federal estate tax	136,917.88

Residue before country X tax	676,917.88
Country X succession tax on charity	523,082.12
	100,000.00
Charitable deduction	423,082.12

TAXABLE ESTATE AND FEDERAL ESTATE TAX

Gross estate	\$1,200,000.00
Debts and charges	40,000.00
Deduction of foreign death tax under section 2053(d)	100,000.00
Charitable deduction	423,082.12
Exemption	60,000.00

Taxable estate	623,082.12
	576,917.88

Gross estate tax	172,621.26
Credit for State death taxes	15,476.72

Gross estate tax less credit for State death taxes	157,144.54
Credit for foreign death taxes	20,226.66

Net Federal estate tax	136,917.88
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CREDIT FOR FOREIGN DEATH TAXES

COUNTRY X TAX

Succession tax on nephew:	
Value of stock of country X corporation	\$100,000
Tax (50% rate)	50,000
Succession tax on charity:	
Value of stock of country X corporation	200,000
Tax (50% rate)	100,000

CREDIT FOR FOREIGN DEATH TAXES—Continued
COMPUTATION OF EXCLUSION UNDER SECTION 2014(b)

Value of property situated in country X	\$300,000
Value of property in respect of which a deduction is allowed under section 2053(d)	200,000
Value of property situated within country X, subjected to tax, and included in gross estate as limited by section 2014(f)	100,000
FIRST LIMITATION, § 20.2014-2(a)	
\$100,000 (factor C of the ratio stated at § 20.2014-2(a))	
$\frac{\$100,000 + \$200,000 \text{ (factor D of the ratio stated at § 20.2014-2(a))}}{\$100,000 \text{ (factor G of the ratio stated at § 20.2014-3(a)) (as limited by section 2014(f))}}$	$\times (\$50,000 + \$100,000 \text{ (factor B of the ratio stated at § 20.2014-2(a))})$
	= \$50,000.00
SECOND LIMITATION, § 20.2014-3(a)	
$\frac{\$1,200,000 - \$423,082.12 \text{ (factor H of the ratio stated at § 20.2014-3(a))}}{\$1,200,000 - \$423,082.12 \text{ (factor H of the ratio stated at § 20.2014-3(a))}}$	$\times (\$172,621.26 - \$15,476.72 \text{ (factor F of the ratio stated at § 20.2014-3(a))})$
	= \$20,226.66

PAR. 8. Section 20.2038 is amended by adding at the end of section 2038 new subsection (c) and a historical note to read as follows:

§ 20.2038 Statutory provisions; revocable transfers.

SEC. 2038. *Revocable transfers* * * *
(c) *Effect of disability in certain cases.* For purposes of this section, in the case of a decedent who was (for a continuous period beginning not less than 3 months before December 31, 1947, and ending with his death) under a mental disability to relinquish a power, the term "power" shall not include a power the relinquishment of which on or after January 1, 1940, and on or before December 31, 1947, would, by reason of section 1000(e) of the Internal Revenue Code of 1939, be deemed not to be a transfer of property for purposes of chapter 4 of the Internal Revenue Code of 1939.

[Sec. 2038 as amended by Act of Aug. 7, 1959 (Public Law 86-141, 73 Stat. 288)]

PAR. 9. Section 20.2038-1 is amended by adding at the end thereof new paragraph (f) as follows:

§ 20.2038-1 Revocable transfers.

(f) *Effect of disability to relinquish power in certain cases.* Notwithstanding anything to the contrary in paragraphs (a) through (e) of this section the provisions of this section do not apply to a transfer if—

(1) The relinquishment on or after January 1, 1940, and on or before December 31, 1947, of the power would, by reason of section 1000(e), of the Internal Revenue Code of 1939, be deemed not a transfer of property for the purpose of the gift tax under chapter 4 of the Internal Revenue Code of 1939, and

(2) The decedent was, for a continuous period beginning on or before September 30, 1947, and ending with his death, after August 16, 1954, under a mental disability to relinquish a power.

For the purpose of the foregoing provision, the term "mental disability" means mental incompetence, in fact, to release the power whether or not there was an adjudication of incompetence. Such provision shall apply even though a guardian could have released the power for the decedent. No interest shall be allowed or paid on any overpayment allowable under section 2038(c) with respect to amounts paid before August 7, 1959.

PAR. 10. Section 20.2053 is amended by revising section 2053(d) and the historical note to read as follows:

§ 20.2053 Statutory provisions; expenses, indebtedness, and taxes.

SEC. 2053. *Expenses, indebtedness, and taxes* * * * (d) *Certain State and foreign death taxes*—(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—

(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.

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.

(3) *Effect on credits for State and foreign death taxes of deduction under this sub-*

section—(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. 2053 as amended by sec. 2, Act of Feb. 20, 1956 (Public Law 414, 84th Cong., 70 Stat. 23); sec. 102(c) (3), Technical Amendments Act 1958 (72 Stat. 1674); sec. 1, Act of Aug. 21, 1959, Public Law 86-175 (73 Stat. 396)]

PAR. 11. Immediately after § 20.2053-9 the following new section is added:

§ 20.2053-10 Deduction for certain foreign death taxes.

(a) *General rule.* A deduction is allowed the estate of a decedent dying on or after July 1, 1955, under section 2053 (d) for the amount of 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 charitable, etc., uses described in section 2055, but only if (1) the conditions stated in paragraph (b) of this section are met, and (2) an election is made in accordance with the provisions of paragraph (c) of this section. The determination of the country within which property is situated is made in accordance with the rules contained in §§ 20.2104 and 20.2105 in determining whether property is situated within or without the United States. See section 2014(f) and § 20.2014-7 for the effect which the allowance of this deduction has upon the credit for foreign death taxes.

(b) *Condition for allowance of deduction.* (1) The deduction is not allowed unless either—

(i) The entire decrease in the Federal estate tax resulting from the allowance of the deduction inures solely to the benefit of a charitable, etc., transferee described in section 2055, or

(ii) The Federal estate tax is equitably apportioned among all the transferees (including the decedent's surviving spouse and the charitable, etc., transferees) of property included in the decedent's gross estate.

For allowance of the deduction, it is sufficient if either of these conditions is satisfied. Thus, in a case where the entire decrease in Federal estate tax inures to the benefit of a charitable transferee, the deduction is allowable even though the Federal estate tax is not equitably apportioned among all the transferees of property included in the decedent's gross estate. Similarly, if the Federal estate tax is equitably apportioned among all the transferees of property included in the decedent's gross estate, the deduction is allowable even though a noncharitable transferee receives some benefit from the allowance of the deduction.

(2) For purposes of this paragraph, the Federal estate tax is considered to be equitably apportioned among all the transferees (including the decedent's surviving spouse and the charitable, etc., transferees) of property included in the decedent's gross estate only if each transferee's share of the tax is based upon the net amount of his transfer subjected to the tax (taking into account any exemptions, credits, or deductions allowed by chapter 11). See examples (2) through (5) of paragraph (e) of § 20.2053-9.

(c) *Exercise of election.* The election to take a deduction for a foreign death tax imposed upon a transfer for charitable, etc. uses shall be exercised by the executor by the filing of a written notification to that effect with the district director of internal revenue in whose district the estate tax return for the decedent's estate was filed. An election to take the deduction for foreign death taxes is deemed to be a waiver of the right to claim a credit under a treaty with any foreign country for any tax or portion thereof claimed as a deduction under this section. The notification shall be filed before the expiration of the period of limitation for assessment provided in section 6501 (usually 3 years from the last day for filing the return). The election may be revoked by the executor by the filing of a written notification to that effect with the district director at any time before the expiration of such period.

(d) *Amount of foreign death tax imposed upon a transfer.* If a foreign death tax is imposed upon the transfer of the entire part of the decedent's estate subject to such tax and not upon the transfer of a particular share thereof, the foreign death tax imposed upon a transfer for charitable, etc., uses is deemed to be an amount, J, which bears the same ratio to K (the amount of the foreign death tax imposed with respect to the transfer of the entire part of the decedent's estate subject to such tax) as M (the value of the charitable, etc., transfer, reduced as provided in the next sentence) bears to N (the total value of the properties, interests, and benefits subjected to the foreign death tax received by all persons interested in the estate, reduced as provided in the last sentence of this paragraph). In arriving at amount M of the ratio, the value of the charitable, etc., transfer is reduced by the amount of any deduction or exclusion allowed with respect to such property in determining the amount of the foreign death tax. In arriving at amount N of the ratio, the total value of the properties, interests, and benefits subjected to foreign death tax received by all persons interested in the estate is reduced by the amount of all deductions and exclusions allowed in determining the amount of the foreign death tax on account of the nature of a beneficiary or a beneficiary's relationship to the decedent.

PAR. 12. Immediately after § 20.6036-1 insert the following new sections:

§ 20.6061 Statutory provisions; signing of returns and other documents.

SEC. 6061. *Signing of returns and other documents.* * * * any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary or his delegate.

§ 20.6061-1 Signing of returns and other documents.

Any return, statement, or other document required to be made under any provision of chapter 11 or subtitle F of the Code or regulations prescribed thereunder with respect to any tax imposed by chapter 11 of the Code shall be signed by the executor, administrator or other person required or duly authorized to sign in accordance with the regulations, forms or instructions prescribed with respect to such return, statement, or other document. See § 20.2203 for definition of executor, administrator, etc. The person required or duly authorized to make the return may incur liability for the penalties provided for erroneous, false, or fraudulent returns. For criminal penalties see sections 7201, 7203, 7206, 7207, and 7269.

§ 20.6065 Statutory provisions; verification of returns.

SEC. 6065. *Verification of returns—(a) Penalties of perjury.* Except as otherwise provided by the Secretary or his delegate, any return, declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Oath.* The Secretary or his delegate may by regulations require that any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be verified by an oath. * * *

§ 20.6065-1 Verification of returns.

(a) *Penalties of perjury.* If a return, statement, or other document made under the provisions of chapter 11 or subtitle F of the Code or the regulations thereunder with respect to any tax imposed by chapter 11 of the Code, or the form and instructions issued with respect to such return, statement, or other document, requires that it shall contain or be verified by a written declaration that it is made under the penalties of perjury, it must be so verified by the person or persons required to sign such return, statement or other document. In addition, any other statement or document submitted under any provision of chapter 11 or subtitle F of the Code or regulations thereunder with respect to any tax imposed by chapter 11 of the Code may be required to contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Oath.* Any return, statement, or other document required to be submitted under chapter 11 or subtitle F of the Code or regulations prescribed thereunder with respect to any tax imposed by chapter 11 of the Code may be required to be verified by an oath.

PAR. 13. Section 20.6091 is amended to read as follows:

§ 20.6091 Statutory provisions; place for filing returns or other documents.

SEC. 6091. *Place for filing returns or other documents—(a) General rule.* When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the place for the filing of any return, declaration, statement, or other document, or copies thereof, required by this title or by regulations.

(b) *Tax returns.* In the case of returns of tax required under authority of part II of this subchapter—

(3) *Estate tax returns.* Returns of estate tax required under section 6018 shall be made to the Secretary or his delegate in the internal revenue district in which was the domicile of the decedent at the time of his death or, if there was no such domicile in an internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(4) *Exceptional cases.* Notwithstanding paragraph * * * (3) of this subsection, the Secretary or his delegate may permit a return to be filed in any internal revenue district, and may require the return of any officer or employee of the Treasury Department to be filed in any internal revenue district selected by the Secretary or his delegate.

PAR. 14. Section 20.6091-1 is revised to read as follows:

§ 20.6091-1 Place for filing returns or other documents.

If the decedent was a resident of the United States, the preliminary notice required by § 20.6036-1 and the estate tax return required by § 20.6018-1 shall be filed with the district director in whose district the decedent had his domicile at the time of death. If the decedent was a nonresident (whether a citizen or not a citizen), the notice and the return shall be filed with the Director of International Operations, Internal Revenue Service, Washington 25, D.C.

PAR. 15. Immediately after § 20.6091-1 the following new section is added:

§ 20.6091-2 Exceptional cases.

Notwithstanding the provisions of § 20.6091-1 the Commissioner may permit the filing of the preliminary notice required by § 20.6036-1 and the estate tax return required by § 20.6018-1 in any internal revenue district.

PAR. 16. Paragraph (b) of § 20.6165-1 is amended to read as follows:

§ 20.6165-1 Bonds where time to pay tax or deficiency has been extended.

(b) *Extensions under section 6163 of time to pay estate tax attributable to reversionary or remainder interests.* As a prerequisite to the postponement of the payment of the tax attributable to a reversionary or remainder interest as provided in § 20.6163-1, a bond equal to double the amount of the tax and interest for the estimated duration of the precedent interest must be furnished conditioned upon the payment of the tax and interest accrued thereon within

six months after the termination of the precedent interest. If after the acceptance of a bond it is determined that the amount of the tax attributable to the reversionary or remainder interest was understated in the bond, a new bond or a supplemental bond may be required, or the tax, to the extent of the understatement, may be collected. The bond must be conditioned upon the principal or surety promptly notifying the district director when the precedent interest terminates and upon the principal or surety notifying the district director during the month of September of each year as to the continuance of the precedent interest, if the duration of the precedent interest is dependent upon the life or lives of any person or persons, or is otherwise indefinite. For other provisions relating to bonds where an extension of time has been granted for paying the tax, see the regulations under section 7101 contained in Part 301 of this chapter (Regulations on Procedure and Administration).

PAR. 17. Section 20.7101-1 is amended to read as follows:

§ 20.7101-1 Form of bonds.

See paragraph (b) of § 20.6165-1 for provisions relating to the bond required in any case in which the payment of the tax attributable to a reversionary or remainder interest has been postponed under the provisions of § 20.6163-1. For further provisions relating to bonds, see § 20.6165-1 of these regulations and the regulations under section 7101 contained in Part 301 of this chapter (Regulations on Procedure and Administration).

GIFT TAX REGULATIONS

PAR. 18. Immediately after § 25.6019-4 insert the following new sections:

§ 25.6061 Statutory provisions; signing of returns and other documents.

SEC. 6061. *Signing of returns and other documents.* * * * any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary or his delegate.

§ 25.6061-1 Signing of returns and other documents.

Any return, statement, or other document required to be made under any provision of chapter 12 or subtitle F of the Code or regulations prescribed thereunder with respect to any tax imposed by chapter 12 of the Code shall be signed by the donor or other person required or duly authorized to sign in accordance with the regulations, forms or instructions prescribed with respect to such return, statement, or other document. The person required or duly authorized to make the return may incur liability for the penalties provided for erroneous, false, or fraudulent returns. For criminal penalties see sections 7201, 7203, 7206, 7207, and 7269.

§ 25.6065 Statutory provisions; verification of returns.

SEC. 6065. *Verification of returns—(a) Penalties of perjury.* Except as otherwise provided by the Secretary or his delegate, any return, declaration, statement, or other

document required to be made under any provision of the internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Oath.* The Secretary or his delegate may by regulations require that any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be verified by an oath. * * *

§ 25.6065-1 Verification of returns.

(a) *Penalties of perjury.* If a return, statement, or other document made under the provisions of chapter 12 or subtitle F of the Code or the regulations thereunder with respect to any tax imposed by chapter 12 of the Code, or the form and instructions issued with respect to such return, statement, or other document, requires that it shall contain or be verified by a written declaration that it is made under the penalties of perjury, it must be so verified by the person or persons required to sign such return, statement, or other document. In addition, any other statement or document submitted under any provision of chapter 12 or subtitle F of the Code or regulations thereunder with respect to any tax imposed by chapter 12 of the Code may be required to contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Oath.* Any return, statement, or other document required to be submitted under chapter 12 or subtitle F of the Code or regulations prescribed thereunder with respect to any tax imposed by chapter 12 of the Code may be required to be verified by an oath.

PAR. 19. Section 25.6091 is amended to read as follows:

§ 25.6091 Statutory provisions; place for filing returns or other documents.

SEC. 6091. *Place for filing returns or other documents—(a) General rule.* When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the place for the filing of any return, declaration, statement, or other document, or copies thereof, required by this title or by regulations.

(b) *Tax returns.* In the case of returns of tax required under authority of part II of this subchapter—

(1) *Individuals.* Returns (other than corporation returns) shall be made to the Secretary or his delegate in the internal revenue district in which is located the legal residence or principal place of business of the person making the return, or, if he has no legal residence or principal place of business in any internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(4) *Exceptional cases.* Notwithstanding paragraph (1) * * * of this subsection, the Secretary or his delegate may permit a return to be filed in any internal revenue district, and may require the return of any officer or employee of the Treasury Department to be filed in any internal revenue district selected by the Secretary or his delegate.

PAR. 20. Immediately after § 25.6091-1 the following new section is added:

§ 25.6091-2 Exceptional cases.

Notwithstanding the provisions of § 25.6091-1 the Commissioner may permit the filing of the gift tax return re-

quired by section 6019 in any internal revenue district.

PAR. 21. Section 25.6165-1 is amended to read as follows:

§ 25.6165-1 Bonds where time to pay tax or deficiency has been extended.

If an extension of time for payment of tax or deficiency is granted under section 6161, the district director may, if he deems it necessary, require a bond for the payment of the amount in respect of which the extension is granted in accordance with the terms of the extension. However, such bond shall not exceed double the amount with respect to which the extension is granted. For provisions relating to form of bonds, see the regulations under section 7101 contained in Part 301 of this chapter (Regulations on Procedure and Administration).

PAR. 22. Section 25.7101-1 is amended to read as follows:

§ 25.7101-1 Form of bonds.

For provisions relating to form of bonds, see the regulations under section 7101 contained in Part 301 of this chapter (Regulations on Procedure and Administration).

[F.R. Doc. 62-5194; Filed, May 28, 1962; 8:51 a.m.]

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Lemon Reg. 21, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

Findings. 1. Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

2. It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this

amendment relieves restriction on the handling of lemons grown in California and Arizona.

Order, as amended. The provisions in paragraph (b)(1)(ii) of § 910.321 (Lemon Regulation 21, 27 F.R. 4762) are hereby amended to read as follows:

(ii) District 2: 558,000 cartons.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 24, 1962.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62-5182; Filed, May 28, 1962; 8:50 a.m.]

[Nectarine Order 1]

PART 916—NECTARINES GROWN IN CALIFORNIA

Limitation of Shipments

§ 916.301 Nectarine Order 1.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 916 (7 CFR Part 916) regulating the handling of nectarines grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the Nectarine Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of nectarines as hereinafter set forth, and in the manner herein provided, will tend to effectuate the declared policy of the Act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter specified. A reasonable determination as to the supply of, and the demand for, such nectarines must await the development of the crop thereof, and adequate information thereon was not available to the Nectarine Administrative Committee until the date hereinafter set forth on which an open meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such nectarines. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for

regulation during the period specified herein were promptly submitted to the Department after such meeting was held; shipments of the current crop of such nectarines are expected to begin on or about the effective date hereof; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendation of the committee; information concerning such provisions and effective time has been disseminated among handlers of such nectarines; and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof. Such committee meeting was held on May 17, 1962.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., May 30, 1962, and ending at 12:01 a.m., P.s.t., November 1, 1962, no handler shall handle any package or container of any variety of nectarines unless such nectarines grade at least U.S. No. 1: *Provided*, That the percentages of defective or off-color nectarines in any package or container shall not be in excess of the applicable tolerances specified in § 51.3150 of the United States Standards for Nectarines (§§ 51.3145-51.3159 of this title), except that any such package or container may contain one defective or off-color nectarine.

(2) When used herein, "U.S. No. 1" shall have the same meaning as set forth in the United States Standards for Nectarines (§§ 51.3145-51.3159 of this title), and all other terms shall have the same meaning as when used in the marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 25, 1962.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62-5233; Filed, May 28, 1962; 8:52 a.m.]

[Nectarine Order 2]

PART 916—NECTARINES GROWN IN CALIFORNIA

Limitation of Shipments

§ 916.302 Nectarine Order 2.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 916 (7 CFR Part 916) regulating the handling of nectarines grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the Nectarine Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of nectarines of the variety hereinafter set forth, and in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter specified. A reasonable determination as to the supply of, and the demand for, such nectarines must await the development of the crop thereof, and adequate information thereon was not available to the Nectarine Administrative Committee until the date hereinafter set forth on which an open meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such nectarines. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; shipments of the current crop of such nectarines are expected to begin on or about the effective date hereof; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendation of the committee; information concerning such provisions and effective time has been disseminated among handlers of such nectarines; and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof. Such committee meeting was held on May 17, 1962.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., May 30, 1962, and ending at 12:01 a.m., P.s.t., November 1, 1962, no handler shall handle any package or container of Grand River nectarines unless:

(i) Such nectarines, when packed in a standard basket, are of a size not smaller than a size that will pack a 3 x 4 x 5 standard pack; or

(ii) Such nectarines, when packed in any container other than the container specified in subdivision (i) of this subparagraph, measure not less than one and fourteen-sixteenth ($1\frac{1}{16}$) inches in diameter: *Provided*, That not to exceed ten (10) percent, by count, of the nectarines in any such container may fail to meet such diameter requirement.

(2) When used herein, "diameter" and "standard pack" shall have the same meaning as set forth in the United States Standards for Nectarines (§§ 51.3145 to 51.3159 of this title); "standard basket" shall mean the standard basket set forth in paragraph 1 of section 828.1 of the