

SEC. 605. ESTATE TAX EXEMPTION FOR WORKS OF ART LOANED BY NONRESIDENT ALIENS.

(a) **AMENDMENT OF SECTION 863 (c).**—Section 863 (c) (relating to exemption of works of art loaned by nonresident aliens) is hereby amended to read as follows:

53 Stat. 131.
26 U. S. C. § 863.

“(c) **WORKS OF ART ON LOAN FOR EXHIBITION.**—Works of art owned by a nonresident not a citizen of the United States (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.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall be applicable only with respect to estates of decedents dying after the date of the enactment of this Act.

SEC. 606. EXEMPTION FROM ADDITIONAL ESTATE TAX OF MEMBERS OF ARMED FORCES UPON DEATH.

Section 939 (relating to the estate tax treatment of certain members of the armed forces) is hereby amended as follows:

63 Stat. 896.
26 U. S. C. § 939.
Ante, p. 43.

(1) By inserting before the first sentence thereof the following:

“(a) **DEATHS AFTER DECEMBER 6, 1941, AND BEFORE JANUARY 1, 1947.**—”

(2) By adding at the end thereof the following:

“(b) **DEATHS AFTER JUNE 24, 1950, AND BEFORE JANUARY 1, 1954.**—The tax imposed by section 935 shall not apply to the transfer of the net estate of a citizen or resident of the United States dying after June 24, 1950, and before January 1, 1954, while in active service as a member of the armed forces of the United States, if such decedent—

53 Stat. 141.
26 U. S. C. § 935.

“(1) was killed in action while serving in a combat zone, as determined under section 22 (b) (13); or

Ante, p. 484.

“(2) died as a result of wounds, disease, or injury suffered, while serving in a combat zone (as determined under section 22 (b) (13)) and while in line of duty, by reason of a hazard to which he was subjected as an incident of such service.”

SEC. 607. TRANSFERS CONDITIONED UPON SURVIVORSHIP.

In the case of property transferred by a decedent dying after March 18, 1937, and before February 11, 1939, the determination of whether such property is to be included in his gross estate under section 302 (c) of the Revenue Act of 1926 (44 Stat. 70) as a transfer intended to take effect in possession or enjoyment at or after his death shall be made in conformity with Treasury Regulations in force at the time of his death.

SEC. 608. TRANSFERS WITH INCOME RESERVED.

Section 7 (b) of the Act entitled “An Act to amend certain provisions of the Internal Revenue Code”, approved October 25, 1949 (63 Stat. 895), is hereby amended by striking out “January 1, 1950” and inserting in lieu thereof “January 1, 1951”.

26 U. S. C. § 811 note.

SEC. 609. TRANSFERS TAKING EFFECT AT DEATH.

Effective with respect to estates of decedents dying after February 10, 1939, section 7 (b) of the Act entitled “An Act to amend certain provisions of the Internal Revenue Code”, approved October 25, 1949 (63 Stat. 895), is hereby amended by striking out the word “sentence” and inserting in lieu thereof “two sentences” and by inserting immediately preceding the last sentence thereof the following sentence: “The provisions of section 811 (c) (1) (C) of such code shall not apply to a transfer made prior to September 8, 1916.” The

26 U. S. C. § 811 note.