

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to estates of decedents dying after, and gifts made after, December 31, 1981. 26 USC 2001 note.

**SEC. 403. UNLIMITED MARITAL DEDUCTION.**

(a) **ESTATE TAX DEDUCTION.**—

(1) **IN GENERAL.**—Section 2056 (relating to bequests, etc., to surviving spouses) is amended— 26 USC 2056.

(A) by striking out subsection (c) and redesignating subsection (d) as subsection (c); and

(B) by striking out “subsections (b) and (c)” in subsection (a) and inserting in lieu thereof “subsection (b)”.

(2) **CONFORMING AMENDMENTS.**—

(A) Paragraph (2) of section 2012(b) (relating to credit for gift tax) is amended to read as follows: 26 USC 2012.

“(2) if a deduction with respect to such gift is allowed under section 2056(a) (relating to marital deduction), then by the amount of such value, reduced as provided in paragraph (1); and”.

(B) Paragraph (5) of section 2602(c) (relating to coordination with estate tax) is amended by striking out subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively. 26 USC 2602.

(C) Subparagraph (A) of section 691(c)(3) (relating to special rules for generation-skipping transfers) is amended by striking out “section 2602(c)(5)(C)” and inserting in lieu thereof “section 2602(c)(5)(B)”. 26 USC 691.

(b) **GIFT TAX DEDUCTION.**—

(1) **IN GENERAL.**—Subsection (a) of section 2523 (relating to gift to spouse) is amended to read as follows: 26 USC 2523.

“(a) **ALLOWANCE OF DEDUCTION.**—Where a donor who is a citizen or resident transfers during the calendar year by gift an interest in property to a donee who at the time of the gift is the donor’s spouse, there shall be allowed as a deduction in computing taxable gifts for the calendar year an amount with respect to such interest equal to its value.”

(2) **TECHNICAL AMENDMENT.**—Section 2523 is amended by striking out subsection (f).

(3) **CONFORMING AMENDMENTS.**—

(A) So much of section 6019 (relating to gift tax returns) as follows the heading and precedes subsection (b) is amended to read as follows: 26 USC 6019.

“Any individual who in any calendar year makes any transfer by gift other than—

“(1) a transfer which under subsection (b) or (e) of section 2503 is not to be included in the total amount of gifts for such year, or

“(2) a transfer of an interest with respect to which a deduction is allowed under section 2523,

shall make a return for such year with respect to the gift tax imposed by subtitle B.”

(B) Paragraph (2) of section 2035(b) is amended by inserting “(other than by reason of section 6019(a)(2))” after “section 6019”. 26 USC 2035.

(c) **ESTATE TAX ON PROPERTY HELD JOINTLY BY HUSBAND AND WIFE.**

(1) **IN GENERAL.**—Paragraph (2) of section 2040(b) (defining qualified joint interest) is amended to read as follows: 26 USC 2040.