

(g) **CLERICAL AMENDMENT.**—The table of sections for subchapter B of chapter 11 (relating to estates of nonresidents not citizens) is amended by adding at the end thereof the following:

“Sec. 2107. Expatriation to avoid tax.

“Sec. 2108. Application of pre-1966 tax provisions.”

(h) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to estates of decedents dying after the date of the enactment of this Act, except that section 2107, as added by subsection (f), shall apply only in the case of a decedent who has lost United States citizenship after March 8, 1965.

SEC. 9. GIFT TAX OF NONRESIDENTS NOT CITIZENS.

(a) **IMPOSITION OF TAX.**—Subsection (a) of section 2501 (relating to general rule for imposition of tax) is amended to read as follows:

“(a) **TAXABLE TRANSFERS.**—

“(1) **GENERAL RULE.**—For the calendar year 1955 and each calendar year thereafter a tax, computed as provided in section 2502, is hereby imposed, except as provided in paragraph (2), on the transfer of property by gift during such calendar year by any individual, resident or nonresident.

“(2) **TRANSFERS OF INTANGIBLE PROPERTY.**—Except as provided in paragraph (3), paragraph (1) shall not apply to the transfer of intangible property by a nonresident not a citizen of the United States.

“(3) **EXCEPTIONS.**—Paragraph (2) shall not apply in the case of a donor who at any time within the 10-year period ending with the date of transfer lost United States citizenship unless—

“(A) such donor has lost United States citizenship under section 301(b), 350, or 355 of the Immigration and Nationality Act, as amended (8 U.S.C. 1401(b), 1482, or 1487), or

“(B) such loss did not have for one of its principal purposes the avoidance of United States taxes.

“(4) **BURDEN OF PROOF.**—For purposes of paragraph (3)(B), the burden of proving that a donor's loss of United States citizenship did not have for one of its principal purposes the avoidance of United States taxes shall be on such donor.”

(b) **TRANSFERS IN GENERAL.**—Subsection (b) of section 2511 (relating to situs rule for stock in a corporation) is amended to read as follows:

“(b) **INTANGIBLE PROPERTY.**—For purposes of this chapter, in the case of a donor excepted from the application of section 2501(a)(2)—

“(1) shares of stock owned by such donor and issued by a domestic corporation, and

“(2) debt obligations owned by such donor and issued by or enforceable against—

“(A) a citizen or resident of the United States, a domestic partnership, domestic estate or trust, or domestic corporation, or

“(B) the United States, a State, or a possession of the United States or any political subdivision of any of the foregoing, or the District of Columbia,

shall be deemed to be property situated within the United States.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to the calendar year 1966 and all calendar years thereafter, except that the exception to section 2501(a)(2), as added by subsection (a), shall apply only in the case of a donor who has lost United States citizenship after March 8, 1965.

SEC. 10. DOCUMENTARY STAMP TAXES.

(a) **EXEMPTION FOR CERTAIN FOREIGN INSTRUMENTS.**—Section 4382 (relating to exemptions from documentary stamp taxes) is amended by adding at the end thereof the following new subsection:

“(c) **ORIGINAL OFFERING BY FOREIGN ISSUERS TO FOREIGN PURCHASERS.**—The taxes imposed by sections 4311, 4321, and 4331 shall not apply to the issuance, delivery, or transfer of any shares or certificates of stock or certificates of indebtedness to make effective the original issuance of such instruments by a foreign issuer to foreign purchasers, whether or not such transaction is accomplished through a domestic underwriter.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on January 1, 1966.