

1 determined for purposes of this chapter, upon which State
 2 death taxes were paid and which is included in the gross
 3 estate under section 2103 bears to the value of the total gross
 4 estate under section 2103. For purposes of this subsection,
 5 the term 'State death taxes' means the taxes described in
 6 section 2011(a)."

7 ~~(c) PROPERTY WITHIN THE UNITED STATES.~~ See
 8 tion 2104 ~~(relating to property within the United States)~~ is
 9 amended by adding at the end thereof the following new
 10 subsection:

11 ~~"(c) DEBT OBLIGATIONS.~~ For purposes of this sub-
 12 chapter, debt obligations of—

13 ~~"(1) a United States person, or~~

14 ~~"(2) the United States, a State or any political~~
 15 ~~subdivision thereof, or the District of Columbia,~~

16 owned by a nonresident not a citizen of the United States
 17 shall be deemed property within the United States. This
 18 subsection shall not apply to a debt obligation of a domestic
 19 corporation if any interest on such obligation, were such in-
 20 terest received by the decedent at the time of his death,
 21 would be treated by reason of section 861(a)(1)(B) as
 22 income from sources without the United States."