

1 by subsection (a), the value of the gross estate of every
2 decedent to whom subsection (a) applies shall be determined
3 as provided in section 2103, except that—

4 “(1) if such decedent owned (within the meaning
5 of section 958(a)) at the time of his death 10 percent
6 or more of the total combined voting power of all classes
7 of stock entitled to vote of a foreign corporation, and

8 “(2) if such decedent owned (within the meaning
9 of section 958(a)), or is considered to have owned
10 (by applying the ownership rules of section 958(b)),
11 at the time of his death, more than 50 percent of the
12 total combined voting power of all classes of stock en-
13 titled to vote of such foreign corporation,

14 then that proportion of the fair market value of the stock of
15 such foreign corporation owned (within the meaning of sec-
16 tion 958(a)) by such decedent at the time of his death,
17 which the fair market value of any assets owned by such for-
18 eign corporation and situated in the United States, at the time
19 of his death, bears to the total fair market value of all assets
20 owned by such foreign corporation at the time of his death,
21 shall be included in the gross estate of such decedent. For
22 purposes of the preceding sentence, a decedent shall be
23 treated as owning stock of a foreign corporation at the time