

*(hereinafter called the "fiduciary"), is given an election to treat administration expenses of the decedent's estate paid from or chargeable to the principal of such property or fund either as income tax deductions or as estate tax deductions, and such fiduciary elects to treat such expenses in whole or in part as income tax deductions, with the result that estate taxes imposed under such law and paid from or chargeable to such principal are greater than if the contrary election had been made, an amount equal to such difference in such estate taxes shall be reimbursed to such principal from the income of such property or fund.*

*(b) Unless otherwise expressly provided by a will, or other controlling instrument, under which a gift is made to or for the benefit of the surviving spouse of a decedent which qualifies for an estate tax marital deduction under any tax law of the United States and the amount or size of such gift is defined by the will or other controlling instrument in terms of the maximum marital deduction allowable under such tax law, no adjustment shall be required to be made between such gift and the other interests in the decedent's estate, or governed by such instrument, by reason of (i) any increase in the amount or size of such gift resulting from any election by the fiduciary, under such tax law, to treat estate administration expenses as income tax deductions over the amount or size of such gift had the contrary election been made, or (ii) any increase or decrease in the amount or size of such gift resulting from an election by the fiduciary, under such tax law, of an estate tax valuation date other than the date of the decedent's death as compared with the amount or size of such gift had the contrary election been made.*

*(c) Unless otherwise expressly provided by a will, or other controlling instrument, under which a gift is made to or for the benefit of the surviving spouse of a decedent which qualifies for an estate tax marital deduction under any tax law of the United States and the amount or size of such gift is defined by the terms of the will, or other controlling instrument, in terms of the maximum marital deduction allowable under such tax law, such definitions shall not be construed as a direction by the decedent to the fiduciary to exercise any election respecting the deduction of estate administration expenses or the determination of the estate tax valuation date, which the fiduciary may have under such tax law, only in such manner as will result in a larger allowable estate tax marital deduction than if the contrary election had been made.*

SEC. 2. *And be it further enacted, That this Act shall take effect, and shall be applicable to estates of persons dying on or after, June 1, 1967.*

Approved April 14, 1967.

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CHAPTER 239

(House Bill 398)

AN ACT to repeal and re-enact, with amendments, Section 14A of Article 77 of the Annotated Code of Maryland (1965 Replace-