

(E) EXEMPTION FROM TAXES AND DEBTS.

DEATH BENEFITS PAYABLE AS PROVIDED IN THIS SECTION, UNLESS PAID TO A PERSONAL REPRESENTATIVE UNDER THE PROVISIONS OF SUBSECTION (D), ARE NOT CONSIDERED PART OF THE ESTATE OF THE DECEDENT, AND ARE NOT SUBJECT TO ANY OBLIGATION TO PAY TAXES, DEBTS, OR OTHER CHARGES ENFORCEABLE AGAINST THE ESTATE OF THE DECEDENT, EXCEPT AS PROVIDED IN §11-109.

(F) COMMINGLING OF ASSETS.

DEATH BENEFITS HELD IN TRUST MAY BE COMMINGLED WITH OTHER ASSETS WHICH MAY PROPERLY COME INTO THE TRUST.

REVISOR'S NOTE: This section presently appears as Art. 93, §11-105. The only changes are in style and language.

11-106. TAX ELECTIONS BY FIDUCIARIES.

(A) DEDUCTIONS.

UNLESS OTHERWISE EXPRESSLY PROVIDED BY A WILL OR OTHER CONTROLLING INSTRUMENT, [[UNDER WHICH A TRUST IS CREATED OR MADE]] WHERE A PERSON IS GIVEN AN INTEREST IN INCOME, AN ESTATE FOR YEARS OR FOR LIFE, OR OTHER TEMPORARY INTEREST IN A TRUST OR OTHER ASSETS AND, UNDER A TAX LAW OF THE UNITED STATES, THE PERSONAL REPRESENTATIVE OR OTHER PERSON ACTING IN A FIDUCIARY CAPACITY FOR THE DECEASED MAKER OF THE WILL OR OTHER INSTRUMENT[[,]] IS GIVEN AN ELECTION TO TREAT ADMINISTRATIVE EXPENSES OF THE ESTATE OF THE DECEDENT PAID FROM OR CHARGEABLE TO THE PRINCIPAL OF THE TRUST OR OTHER ASSETS EITHER AS INCOME TAX DEDUCTIONS OR ESTATE TAX DEDUCTIONS, AND THE FIDUCIARY ELECTS TO TREAT THE EXPENSES IN WHOLE OR IN PART AS INCOME TAX DEDUCTIONS, WITH THE RESULT THAT ESTATE TAXES IMPOSED UNDER THE LAW AND PAID FROM OR CHARGEABLE TO PRINCIPAL ARE GREATER THAN IF THE CONTRARY ELECTION HAD BEEN MADE, AN AMOUNT EQUAL TO THE DIFFERENCE IN ESTATE TAXES SHALL BE REIMBURSED TO PRINCIPAL FROM THE INCOME OF THE TRUST OR OTHER ASSETS.

(B) ADJUSTMENT NOT NECESSARY.

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 THE DECEDENT WHICH QUALIFIES FOR AN ESTATE TAX MARITAL DEDUCTION UNDER THE TAX LAW OF THE UNITED STATES AND THE AMOUNT OR SIZE OF THE GIFT IS DEFINED BY THE TERMS OF THE WILL OR OTHER CONTROLLING INSTRUMENT IN TERMS OF THE MAXIMUM MARITAL DEDUCTION ALLOWABLE UNDER THE TAX LAW, NO ADJUSTMENT IS REQUIRED TO BE MADE BETWEEN THE GIFT AND