

sisters, no next of kin, as determined by the laws of the decedent's domicile at the time of death, and no persons related to the decedent by marriage; to the person who paid the burial and funeral expenses, or a creditor of the decedent's estate, but payment may be made only to the extent that the person has not been reimbursed. Transfers are not permitted.

(9) Escheat according to the applicable state law.

(e) When we make payments or reissues according to paragraph (d) of this section, we will make the payments to either a person individually, or individually and on behalf of all other persons entitled. A person who receives payment of bond proceeds individually and on behalf of others warrants that he or she will make distribution of the proceeds to the persons entitled by the law of the decedent's domicile. The provisions of this section are for the convenience of the United States and do not determine ownership of the bonds or their proceeds. The Department of the Treasury may rely on information provided by the person who requests payment or transfer, and is not liable for any action taken in reliance on the information furnished.

#### **§ 353.72 [Reserved]**

- 12. Remove and reserve § 353.72.

#### **PART 359—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES I**

- 13. The authority citation for part 359 continues to read as follows:

**Authority:** 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3105.

- 14. Revise § 359.50 to read as follows:

#### **§ 359.50 What amount of book-entry Series I savings bonds may I acquire per year?**

The principal amount of book-entry bonds that you may acquire in any calendar year is limited to \$30,000.

- 15. Revise § 359.51 to read as follows:

#### **§ 359.51 What book-entry Series I savings bonds are included in the computation?**

(a) We include all bonds that you purchased in that calendar year.

(b) Bonds purchased as gifts or in a fiduciary capacity are not included in the computation for the purchaser.

(c) Bonds transferred or delivered from one New Treasury Direct account to another New Treasury Direct account are included in the computation for the recipient, unless you have become entitled to the transferred bonds due to the death of the registered owner.

#### **§ 359.65 [Reserved]**

- 16. Remove and reserve § 359.65.

- 17. Revise Appendix D to Part 359, Section 1, to read as follows:

#### **Appendix D to Part 359—Tax Considerations**

##### *1. What are some general tax considerations?*

Interest on savings bonds is subject to taxes imposed under the Internal Revenue Code of 1986, as amended. The bonds are exempt from taxation by any State or political subdivision of a State, except for estate or inheritance taxes. (See 31 U.S.C. 3124.)

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#### **PART 360—REGULATIONS GOVERNING DEFINITIVE UNITED STATES SAVINGS BONDS, SERIES I**

- 18. The authority citation for part 360 continues to read as follows:

**Authority:** 5 U.S.C. 301; 31 U.S.C. 3105 and 3125.

- 19. Revise § 360.71 to read as follows:

#### **§ 360.71 Decedent's estate.**

(a) *Estate is being administered.* (1) Appropriate proof of appointment will be required for the legal representative of the estate. Letters of appointment must be dated within one year of submission.

(2) The bonds will be registered in the following form: "John Doe, SSN 123-45-6789, Legal Representative of the estate of James Doe, deceased, SSN 987-65-4321."

(3) The legal representative of the estate may request payment of bonds and held payments belonging to a decedent's estate to the estate or to the person(s) entitled, or may have the bonds reissued to the person(s) entitled.

(b) *Estate has been settled previously.* If the estate has been previously settled through judicial proceedings, the person(s) entitled may request payment of bonds or may have the bonds reissued to the person(s) entitled. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence will be required.

(c) *Summary administration procedures.* If there is no formal administration and no representative of the estate is to be appointed, the person(s) entitled under state law summary or small estates procedures may request payment of bonds or may have the bonds reissued to the person(s) entitled. Appropriate evidence is required.

(d) *Survivors' order of precedence for payment or transfer.* Estates with bonds over \$100,000 redemption value must be administered. If there has been no

administration, no administration is pending or contemplated, no summary or small estate procedures have been used, and the redemption value of the bonds is \$100,000 or less, then bonds may be paid or reissued to the persons named in the following order of precedence:

(1) There is a surviving spouse and no surviving child or descendant of a deceased child: to the surviving spouse.

(2) There is a surviving spouse and a child or children of the decedent, or descendants of deceased children: One-half to the surviving spouse and one-half to the child or children of the decedent, and the descendants of deceased children, by representation, or by agreement of all persons entitled in this class;

(3) There is no surviving spouse and there is a surviving child or descendant of deceased children: to the child or children of the decedent, and the descendants of deceased children, by representation.

(4) There are no surviving spouse, no surviving child, and no surviving descendants of deceased children: To the parents of the decedent, one-half to each, or in full to the survivor.

(5) There are no surviving spouse, no surviving child or surviving descendants of deceased children, and no surviving parents: to the brothers and sisters and descendants of deceased brothers and sisters by representation.

(6) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, and no brothers or sisters or descendants of deceased brothers and sisters: To other next of kin, as determined by the laws of the decedent's domicile at the time of death.

(7) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, no brothers or sisters or descendants of deceased brothers and sisters, and no next of kin, as determined by the laws of the decedent's domicile at the time of death: To persons related to the decedent by marriage, *i.e.*, heirs of a spouse of the last decedent where the spouse predeceased that registrant.

(8) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, no brothers or sisters or descendants of deceased brothers and sisters, no next of kin, as determined by the laws of the decedent's domicile at the time of death, and no persons related to the decedent by marriage: To the person who paid the burial and funeral expenses, or a creditor of the decedent's estate, but payment may be