

- (b) The portion of the Canadian succession taxes to be allowed as a credit against United States estate taxes shall be an amount which bears the same ratio to the total Canadian succession taxes as the value of the property situated in Canada and with respect to which estate taxes are imposed by the United States of America bears to the total value of the property with respect to which succession taxes are imposed by Canada.
- (c) The credit in any such case shall not exceed an amount which bears the same ratio to such estate taxes, computed without the credit provided for herein, as the value of the property situated in Canada and not excluded or deducted from the gross estate as provided in (a) bears to the value of the entire gross estate.
- (d) The values referred to in (c) are the values determined by the United States of America for the purpose of estate taxes.
- (e) The credit provided for herein shall apply after the application of section 813 (b) of the Internal Revenue Code, as amended by the Revenue Act of 1942.

2. In the case of a decedent who at the time of his death was domiciled in Canada, Canada shall impose the succession taxes to which this Convention relates upon the following conditions:—

- (a) In respect of property situated in the United States of America which, for the purpose of succession taxes, is included in the gross estate, less such property as is specifically deducted therefrom (because of transfer for charitable, educational, religious or similar uses), there shall be allowed against the succession taxes a credit for United States estate taxes in respect of the property situated in the United States of America, the situs of such property being determined in accordance with the laws of the United States of America, subject to the provisions of this Convention.
- (b) The portion of the United States estate taxes to be allowed as a credit against Canadian succession taxes shall be an amount which bears the same ratio to the total United States estate taxes as the value of the property situated in the United States of America and with respect to which succession taxes are imposed by Canada bears to the total value of the property with respect to which estate taxes are imposed by the United States of America.
- (c) The credit in any such case shall not exceed an amount which bears the same ratio to such succession taxes, computed without the credit provided for herein, as the value of the property situated in the United States of America and not excluded or deducted from the gross estate as provided in (a) bears to the entire value of the property, wherever situated.
- (d) The values referred to in (c) are the values determined by Canada for the purpose of succession taxes.

3. (a) The credit referred to in this Article may be allowed by the United States of America if claim therefor is filed within the periods provided in section 813 (b) of the Internal Revenue Code, as amended.

(b) The credit referred to in this Article may be allowed by Canada if claim therefor is filed within the period provided by subsection 4 of section 35 of the Dominion Succession Duty Act relating to refund of overpayment.

(c) A refund based on the credit may be made if a claim therefor is filed within the respective periods above provided.

(d) Any refund based on the provisions of this Article or any other provisions of this Convention shall be made without interest.