

in the case of a foreign partnership engaged in trade or business within the United States if the Secretary or his delegate determines that the requirements of subsection (a) impose an undue administrative burden and that the collection of the tax imposed by section 871(a) on the members of such partnership who are nonresident alien individuals will not be jeopardized by the exemption."

(i) **LIABILITY FOR WITHHELD TAX.**—Section 1461 (relating to return and payment of withheld tax) is amended to read as follows:

"SEC. 1461. LIABILITY FOR WITHHELD TAX.

"Every person required to deduct and withhold any tax under this chapter is hereby made liable for such tax and is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this chapter."

(j) **DECLARATION OF ESTIMATED INCOME TAX BY INDIVIDUALS.**—Section 6015 (relating to declaration of estimated income tax by individuals) is amended—

(1) by striking out that portion of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) **REQUIREMENT OF DECLARATION.**—Except as otherwise provided in subsection (i), every individual shall make a declaration of his estimated tax for the taxable year if—":

(2) by redesignating subsection (i) as subsection (j); and

(3) by inserting after subsection (h) the following new subsection:

"(i) **NONRESIDENT ALIEN INDIVIDUALS.**—No declaration shall be required to be made under this section by a nonresident alien individual unless—

"(1) withholding under chapter 24 is made applicable to the wages, as defined in section 3401(a), of such individual,

"(2) such individual has income (other than compensation for personal services subject to deduction and withholding under section 1441) which is effectively connected with the conduct of a trade or business within the United States, or

"(3) such individual is a resident of Puerto Rico during the entire taxable year."

(k) **COLLECTION OF INCOME TAX AT SOURCE ON WAGES.**—Subsection (a) of section 3401 (relating to definition of wages for purposes of collection of income tax at source) is amended by striking out paragraphs (6) and (7) and inserting in lieu thereof the following:

"(6) for such services, performed by a nonresident alien individual, as may be designated by regulations prescribed by the Secretary or his delegate; or".

(l) **DEFINITIONS OF FOREIGN ESTATE OR TRUST.**—

(1) Section 7701(a)(31) (defining foreign estate or trust) is amended by striking out "from sources without the United States" and inserting in lieu thereof "from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States,".

(2) Section 1493 (defining foreign trust for purposes of chapter 5) is repealed.

(m) **CONFORMING AMENDMENT.**—The first sentence of section 932(a) (relating to citizens of possessions of the United States) is amended to read as follows: "Any individual who is a citizen of any possession of the United States (but not otherwise a citizen of the United States) and who is not a resident of the United States shall be subject to taxation under this subtitle in the same manner and subject to the same conditions as in the case of a nonresident alien individual."

Ante, p. 1547.

68A Stat. 360.
26 USC 1461.

26 USC 1441-
1465.

74 Stat. 1000.
26 USC 6015.

26 USC 3401-
3404.

76 Stat. 988.
26 USC 7701.

Repeal.
68A Stat. 365.
26 USC 1493.

26 USC 932.

26 USC 1-1563.