TREASURY RECOMMENDATIONS	FOWLER TASK FORCE
(*d*) Nonresident alien individuals and foreign corporations be given an election to compute income from real property and mineral royalties on a net income basis and be taxed at graduated rates on such income as if engaged in trade or business in the United States.	of real estate investments in the United States. (Recommendation No. 34(ii)—not in Treasury bill.) (*d*) None.
3. *Capital gains.*—Eliminate the provisions taxing capital gains realized by a nonresident alien when he is physically present in the United States, and extend from 90 to 183 days the period of presence in the United States during the year which makes nonresident aliens taxable on all their capital gains.	Eliminate the provision for taxation of capital gains realized by a nonresident alien individual when he is physically present in the United States; extend from 90 to 180 days during a taxable year the time that a nonresident alien individual may spend in the United States before becoming subject to tax on all capital gains realized by him during such year. (Recommendation No. 31.)
4. *Personal holding company and "second dividend" taxes.*— (*a*) Exempt foreign corporations owned entirely by nonresident alien individuals, whether or not doing business in the United States, from ther personal holding company tax;	(*a*) Amend the definition of personal holding companies appearing in the Internal Revenue Code so that foreign corporations owned entirely by nonresident alien individuals are excluded from the definition. (Recommendation No. 33.)
(*b*) Modify the application of the "second dividend tax" of section 861(a)(2)(B) so that it only applies to the dividends of foreign corporations doing business in the United States which have over 80 percent U.S. source income.	(*b*) None.
5. *Estate tax and related matters.*— (*a*) Increase the $2,000 exemption from tax to $30,000 and substitute for regular U.S. estate tax rates a 5-, 10-, 15-percent rate schedule;	Eliminate U.S. estate taxes on all intangible personal property of nonresident alien decedents.
(*b*) Provide that bonds issued by domestic corporations or governmental units and held by nonresident aliens are property within the United States and therefore are subject to estate tax; and	
(*c*) Provide that transfers of intangible property by a nonresident alien engaged in business in the United States are not subject to gift tax.	
6. *Expatriate American citizens.*—Subject the U.S. source income of expatriate citizens of the United States to income tax at regular U.S. rates and their U.S. estates to estate tax at regular U.S. rates, where they surrendered their U.S. citizenship within 10 years preceding the taxable year in question unless the surrender was not tax motivated.	None.