(4)

871(c)(1) *Performance of Personal Services for Foreign Employer* (*Page 6, lines 3–14*)

The Bill states that the term "engaged in trade or business within the United States" does not include the performance of personal services within the United States by a nonresident alien individual for designated types of foreign employers if the individual is temporarily present in the United States for not more than 90 days during a year and his compensation for such services does not exceed $3,000. Among the types of foreign employers covered are offices or places of business maintained by a domestic corporation in a foreign country or in a possession of the United States. The provisions would not apply to an office or place of business maintained by a U.S. citizen or resident alien or by a domestic partnership in a foreign country. This situation appears to be inequitable.

It is suggested that the inequity be removed by adding immediately after the words "domestic corporation" in line 8, page 6 the words "domestic partnership, U.S. citizen, or resident alien." It is further suggested that the Bill be amended to make these same changes in present Section 861(a)(3)(c)(ii).

(5)

871(d) *Conforming the Phraseology Applicable to Gains and Losses* (*Page 7, lines 18 and 19*)

The phrase used in lines 18 and 19, page 7, in reference to the word "losses" is: "allocable to sources within the United States." It would seem preferable to continue to use the phrase "derived from sources within the United States" as it is used in lines 16 and 17 with reference to the word "gains."

(6)

871(d)
871(b) (1), (2), (3) *Clarification of Taxation of Capital Gains of Nonresident Alien Individuals Under Certain Circumstances* (*Page 7, lines 20–25*)

Proposed Section 871(d) starting at line 10, page 7, appears to mean that a nonresident alien individual present in the United States for 183 days or more in a