Bill section 6:
Proposed code section:
901(c)

(9)

Consistency in Provisions Requiring Thirty-Day Notice Prior to Presidential Proclamation (Page 32, line 12)

To be consistent with proposed Sections 896 and 2108, proposed Section 901(c) should require a thirty-day notice to Congress before a proclamation is made by the President.

Bill section 7:
Proposed code section:
931(d)(2)

(10)

Apparent Inequity in Deductions Allowed to U.S. Possessions Corporations (Page 33, lines 17–18, and 23–24; page 34, line 3)

Section 7 of the Bill commencing at line 22, page 32, is entitled "Amendment to Preserve Existing Law on Deductions Under Section 931." Present Section 931 pertains to citizens of the United States or domestic corporations deriving income from sources within possessions of the United States. The deductions granted under proposed Section 931(d)(2), lines 12–25, page 33, are those described in present Sections 165(c)(2) and 165(c)(3) pertaining to individuals and not to corporations. Accordingly, the Bill seems to provide that if goods are purchased in the United States and lost by fire while still in this country, a deduction will be allowed to an individual owner of such goods, but not to a U.S. possessions corporation. This does not seem to be equitable.

Bill sections 8 and 9:
Proposed code section:
2107
2501(a)(3)
2511(b)

(11)

Suggested Softening of Estate and Gift Tax Provisions Affecting U.S. Property of Expatriates (Page 38, line 12 to page 40, line 11; page 43, lines 16–25; page 44, lines 6–24)

Section 8 of the bill, starting at line 13, page 34, will substantially revise and lower the estate tax of nonresidents who are citizens of the United States. However, pro-