

corporation, if such labor or services are performed for an office or place of business maintained in a foreign country or in a possession of the United States by such individual, partnership, or corporation.”

(d) DEFINITIONS.—Section 864 (relating to definitions) is amended—

(1) by striking out “For purposes of this part,” and inserting in lieu thereof

“(a) SALE, ETC.—For purposes of this part,”; and

(2) by adding at the end thereof the following new subsections:

“(b) TRADE OR BUSINESS WITHIN THE UNITED STATES.—For purposes of this part, part II, and chapter 3, the term ‘trade or business within the United States’ includes the performance of personal services within the United States at any time within the taxable year, but does not include—

“(1) PERFORMANCE OF PERSONAL SERVICES FOR FOREIGN EMPLOYER.—The performance of personal services—

“(A) for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, or

“(B) for an office or place of business maintained in a foreign country or in a possession of the United States by an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic corporation, by a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year and whose compensation for such services does not exceed in the aggregate \$3,000.

“(2) TRADING IN SECURITIES OF COMMODITIES.—

“(A) STOCKS AND SECURITIES.—

“(i) Except in the case of a dealer in stocks or securities, trading in stocks or securities for the taxpayer’s own account, whether by the taxpayer or his employees or through a resident broker, commission agent, custodian, or other agent, and whether or not any such agent has discretionary authority to make decisions in effecting the transactions. This clause shall not apply in the case of a corporation (other than a corporation which is, or but for section 542(c) (7) would be, a personal holding company) the principal business of which is trading in stocks or securities for its own account, if its principal office is in the United States.

“(ii) In the case of a person who is a dealer in stocks or securities, trading in stocks or securities for his own account through a resident broker, commission agent, custodian, or other independent agent.

“(B) COMMODITIES.—

“(i) Except in the case of a dealer in commodities, trading in commodities for the taxpayer’s own account, whether by the taxpayer or his employees or through a resident broker, commission agent, custodian, or other agent, and whether or not any such agent has discretionary authority to make decisions in effecting the transactions.