

(c) CROSS REFERENCE.—

For taxation of foreign corporations carrying on life insurance business within the United States, see section 842.

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PART II—MUTUAL INSURANCE COMPANIES (OTHER THAN LIFE AND CERTAIN MARINE INSURANCE COMPANIES AND OTHER THAN FIRE OR FLOOD INSURANCE COMPANIES WHICH OPERATE ON BASIS OF PERPETUAL POLICIES OR PREMIUM DEPOSITS)

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SEC. 821. TAX ON MUTUAL INSURANCE COMPANIES TO WHICH PART II APPLIES.

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[(e) NO UNITED STATES INSURANCE BUSINESS.—Foreign mutual insurance companies (other than a life insurance company and other than a fire, flood, or marine insurance company subject to the tax imposed by section 831) not carrying on an insurance business within the United States shall not be subject to this part but shall be taxable as other foreign corporations.]

[(f)] (e) SPECIAL TRANSITIONAL UNDERWRITING LOSS.—

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[(g)] (f) CROSS REFERENCES.—

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(1) For exemption from tax of certain mutual insurance companies, see section 501(c)(15).

(2) For alternative tax in case of capital gains, see section 1201(a).

(3) *For taxation of foreign corporations carrying on an insurance business within the United States, see section 842.*

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SEC. 822. DETERMINATION OF TAXABLE INVESTMENT INCOME.

(a) DEFINITIONS.—For purposes of this part—

(1) The term “taxable investment income” means the gross investment income, minus the deductions provided in subsection (c).

(2) The term “investment loss” means the amount by which the deductions provided in subsection (c) exceed the gross investment income.

(b) GROSS INVESTMENT INCOME.—For purposes of subsection (a), the term “gross investment income” means the sum of the following:

(1) The gross amount of income during the taxable year from—

(A) interest, dividends, rents, and royalties,

(B) the entering into of any lease, mortgage, or other instrument or agreement from which the insurance company derives interest, rents, or royalties,