

PART IV—PROVISIONS OF GENERAL APPLICATION

Sec. 841. Credit for foreign taxes.

[Sec. 842. Computation of gross income.]

Sec. 842. *Foreign corporations carrying on insurance business.*

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SEC. 841. CREDIT FOR FOREIGN TAXES.

The taxes imposed by foreign countries or possessions of the United States shall be allowed as a credit against the tax of a domestic insurance company subject to the tax imposed by section 802, 821, or 831, to the extent provided in the case of a domestic corporation in section 901 (relating to foreign tax credit). For purposes of the preceding sentence (*and for purposes of applying section 906 with respect to a foreign insurance company*), the term "taxable income" as used in section 904 means—

(1) in the case of the tax imposed by section 802, the life insurance company taxable income (as defined in section 802(b)),

(2) in the case of the tax imposed by section 821(a), the mutual insurance company taxable income (as defined in section 821(b)); and in the case of the tax imposed by section 821(c), the taxable investment income (as defined in section 822(a)), and

(3) in the case of the tax imposed by section 831, the taxable income (as defined in section 832(a)).

[SEC. 842. COMPUTATION OF GROSS INCOME.]

[The gross income of insurance companies subject to the tax imposed by section 802 or 831 shall not be determined in the manner provided in part I of subchapter N (relating to determination of sources of income).]

SEC. 842. FOREIGN CORPORATIONS CARRYING ON INSURANCE BUSINESS.

If a foreign corporation carrying on an insurance business within the United States would qualify under part I, II, or III of this subchapter for the taxable year if (without regard to income not effectively connected with the conduct of any trade or business within the United States) it were a domestic corporation, such corporation shall be taxable under such part on its income effectively connected with its conduct of any trade or business within the United States. With respect to the remainder of its income, which is from sources within the United States, such a foreign corporation shall be taxable as provided in section 881.

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