

(1) *INCOME CONNECTED WITH UNITED STATES BUSINESS.*—No deduction or withholding under subsection (a) shall be required in the case of any item of income (other than compensation for personal services) which is effectively connected with the conduct of a trade or business within the United States and on which a tax is imposed for the taxable year pursuant to section 871(b)(1).

(2) *OWNER UNKNOWN.*—The Secretary or his delegate may authorize the tax under subsection (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(3) *BONDS WITH EXTENDED MATURITY DATES.*—The deduction and withholding in the case of interest on bonds, mortgages, or deeds of trust or other similar obligations of a corporation, within subsections (a), (b), and (c) of section 1451 were it not for the fact that the maturity date of such obligations has been extended on or after January 1, 1934, and the liability assumed by the debtor exceeds 27½ percent of the interest, shall not exceed the rate of 27½ percent per annum.

(4) *COMPENSATION OF CERTAIN ALIENS.*—Under regulations prescribed by the Secretary or his delegate, [there] compensation for personal services may be exempted from deduction and withholding under subsection (a) [the compensation for personal services of—

[(A) nonresident alien individuals who enter and leave the United States at frequent intervals, and

[(B) a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended].

(5) *SPECIAL ITEMS.*—In the case of [amounts described in section 402(a)(2), section 403(a)(2), section 631 (b) and (c), and section 1235, which are considered to be gains from the sale or exchange of capital assets,] gains described in section 402(a)(2), 403(a)(2), or 631 (b) or (c), and gains on transfers described in section 1235, the amount required to be deducted and withheld shall, if the amount of such gain is not known to the withholding agent, be such amount, not exceeding 30 percent of the [proceeds from such sale or exchange] amount payable, as may be necessary to assure that the tax deducted and withheld shall not be less than 30 percent of such gain.