

1 (1) Section 871 (relating to tax on nonresident
2 alien individuals) is amended to read as follows:

3 **“SEC. 871. TAX ON NONRESIDENT ALIEN INDIVIDUALS.**

4 **“(a) INCOME NOT CONNECTED WITH UNITED STATES**
5 **BUSINESS—30 PERCENT TAX.—**

6 **“(1) INCOME OTHER THAN CAPITAL GAINS.—**There
7 is hereby imposed for each taxable year a tax of 30 per-
8 cent of the amount received from sources within the
9 United States by a nonresident alien individual as—

10 **“(A)** interest, dividends, rents, salaries, wages,
11 premiums, annuities, compensations, remunerations,
12 emoluments, and other fixed or determinable an-
13 nual or periodical gains, profits, and income,

14 **“(B)** gains described in section 402 (a) (2),
15 403 (a) (2), or 631 (b) or (c), and gains on
16 transfers described in section 1235, and

17 **“(C)** amounts which under section 341, or
18 under section 1232 (in the case of bonds or other
19 evidences of indebtedness issued after September 28,
20 1965), are treated as gains from the sale or ex-
21 change of property which is not a capital asset,
22 but only to the extent the amount so received is not effec-
23 tively connected with the conduct of a trade or business
24 within the United States.

25 **“(2) CAPITAL GAINS OF ALIENS PRESENT IN THE**