

required for losses, expenses, or establishment of reserves is returned or credited to the policyholder on cancellation or expiration of the policy.

[(b) NO UNITED STATES INSURANCE BUSINESS.—Foreign insurance companies (other than a life or mutual insurance company), foreign mutual marine insurance companies, and foreign mutual fire insurance companies described in subsection (a), 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.】

[(c) (b) ELECTION FOR MULTIPLE LINE COMPANY TO BE TAXED ON TOTAL INCOME.—

(1) **IN GENERAL.—**Any mutual insurance company engaged in writing marine, fire, and casualty insurance which for any 5-year period beginning after December 31, 1941, and ending before January 1, 1962, was subject to the tax imposed by section 831 (or the tax imposed by corresponding provisions of prior law) may elect, in such manner and at such time as the Secretary or his delegate may by regulations prescribe, to be subject to the tax imposed by section 831, whether or not marine insurance is its predominant source of premium income.

(2) **EFFECT OF ELECTION.—**If an election is made under paragraph (1), the electing company shall (in lieu of being subject to the tax imposed by section 821) be subject to the tax imposed by this section for taxable years beginning after December 31, 1961. Such election shall not be revoked except with the consent of the Secretary or his delegate.

[(d) ALTERNATIVE TAX ON CAPITAL GAINS.—

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

(c) *CROSS REFERENCES.—*

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

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

SEC. 832. INSURANCE COMPANY TAXABLE INCOME.

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[(d) TAXABLE INCOME OF FOREIGN INSURANCE COMPANIES OTHER THAN LIFE OR MUTUAL AND FOREIGN MUTUAL MARINE.—In the case of a foreign insurance company (other than a life or mutual insurance company), a foreign mutual marine insurance company, and a foreign mutual fire insurance company described in section 831(a), the taxable income shall be the taxable income from sources within the United States. In the case of a company to which the preceding sentence applies, the deductions allowed in this section shall be allowed to the extent provided in subpart B of part II of subchapter N (sec. 881 and following) in the case of a foreign corporation engaged in trade or business within the United States.】

[(e) (d) DOUBLE DEDUCTIONS.—Nothing in this section shall permit the same item to be deducted more than once.

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