

(2) *such foreign country, when requested by the United States to do so, has not acted to revise or reduce such taxes so that they are no more burdensome than taxes imposed by the provisions of this subtitle on similar income derived from sources within the United States by residents or corporations of such foreign country, and*

(3) *it is in the public interest to apply pre-1967 tax provisions in accordance with the provisions of this section to residents or corporations of such foreign country,*
the President shall proclaim that the tax on such similar income derived from sources within the United States by residents or corporations of such foreign country shall, for taxable years beginning after such proclamation, be determined under this subtitle without regard to amendments made to this subchapter and chapter 3 on or after the date of enactment of this section.

(b) **ALLEVIATION OF MORE BURDENSOME TAXES.**—Whenever the President finds that the laws of any foreign country with respect to which the President has made a proclamation under subsection (a) have been modified so that citizens of the United States not residents of such foreign country or domestic corporations are no longer subject to more burdensome taxes on such item of income derived by such citizens or corporations from sources within such foreign country, he shall proclaim that the tax on such similar income derived from sources within the United States by residents or corporations of such foreign country shall, for any taxable year beginning after such proclamation, be determined under this subtitle without regard to subsection (a).

(c) **NOTIFICATION OF CONGRESS REQUIRED.**—No proclamation shall be issued by the President pursuant to this section unless, at least 30 days prior to such proclamation, he has notified the Senate and the House of Representatives of his intention to issue such proclamation.

(d) **IMPLEMENTATION BY REGULATIONS.**—The Secretary or his delegate shall prescribe such regulations as he deems necessary or appropriate to implement this section.

PART III—INCOME FROM SOURCES WITHOUT THE UNITED STATES

Subpart A. Foreign tax credit.

Subpart B. Earned income of citizens of United States.

Subpart C. Western Hemisphere trade corporations.

Subpart D. Possessions of the United States.

Subpart E. China Trade Act corporations.

Subpart F. Controlled Foreign Corporations.

Subpart G. Export Trade Corporations.

Subpart H. *Income of certain nonresident United States citizens subject to foreign community property laws.*

Subpart A—Foreign Tax Credit

Sec. 901. Taxes of foreign countries and of possessions of United States.

Sec. 902. Credit for corporate stockholder in foreign corporation.

Sec. 903. Credit for taxes in lieu of income, etc., taxes.

Sec. 904. Limitation on credit.

Sec. 905. Applicable rules.

Sec. 906. *Nonresident alien individuals and foreign corporations.*