

CHAPTER 79—DEFINITIONS

SEC. 7701. DEFINITIONS.

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

(31) FOREIGN ESTATE OR TRUST.—The terms “foreign estate” and “foreign trust” mean an estate or trust, as the case may be, the income of which **[from sources without the United States]** *from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States*, is not includible in gross income under subtitle A.