of proving that such loss of citizenship did not have for one of its principal purposes the avoidance of taxes under this subtitle or subtitle A shall be on such individual."

(b) TRANSFERS IN GENERAL.—Subsection (b) of section 2511 (relating to situs rule for stock in a corporation) is amended to read as follows:

"(b) INTANGIBLE PROPERTY.—For purposes of this chapter, in the case of a nonresident not a citizen of the United States who is excepted from the application of section 2501(a)(2)—

"(1) shares of stock issued by a domestic corporation, and

"(2) debt obligations of—

"(A) a United States person, or

"(B) the United States, a State or any political subdivision thereof, or the District of Columbia,

which are owned by such nonresident shall be deemed to be property situated within the United States."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the calendar year 1967 and all calendar years thereafter.

SEC. 10. TREATY OBLIGATIONS.

No amendment made by this Act shall apply in any case where its application would be contrary to any treaty obligation of the United States. For purposes of the preceding sentence, the extension of a benefit provided by any amendment made by this Act shall not be deemed to be contrary to a treaty obligation of the United States.

The CHAIRMAN. No amendments to the bill are in order except amendments offered by direction of the Committee on Ways and Means.

Mr. MILLS. Mr. Chairman, permit me to make a unanimous-consent request. There are a number of amendments to this bill developed within the committee. As my friend the gentleman from Wisconsin [Mr. BYRNES] and my friend the gentleman from Missouri [Mr. CURTIS] know, those amendments are printed in the report and they are also printed in the bill as reported by the committee. They are very technical and very numerous. I am going to ask unanimous consent, Mr. Chairman, that these amendments be considered en bloc and that they be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The committee amendments are as follows:

Page 14, line 16, strike out "(B)," and insert "(B) and (C),"

Page 16, line 11, insert:

"'(C) In the case of a foreign corporation taxable under part I of subchapter L, any income from sources without the United States which is attributable to its United States business shall be treated as effectively connected with the conduct of a trade or business within the United States."

Page 16, line 17, strike "(C)" and insert "(D)".

Page 17, line 11, after "1966" insert: "; except that in applying section 864(c)(4)(B)(iii) of the Internal Revenue Code of 1954 (as added by subsection (d)) with respect to a binding contract entered into on or before February 24, 1966, activities in the United States on or before such date in negotiating or carrying out such contract shall not be taken into account."

Page 20, line 8, strike "taxable" and insert "taxable".

Page 21, line 14, after "property" insert "held for the production of income and".

Page 21, line 17, after "of" insert "such".

Page 56, line 4, insert:

"(e) ELECTIONS BY NONRESIDENT UNITED STATES CITIZENS WHO ARE SUBJECT TO FOREIGN COMMUNITY PROPERTY LAWS.—

"(1) Part III of subchapter N of chapter 1 (relating to income from sources without the Unted States) is amended by adding at the end thereof the following new subpart:

"'SUBPART H—INCOME OF CERTAIN NONRESIDENT UNITED STATES CITIZENS SUBJECT TO FOREIGN COMMUNITY PROPERTY LAWS

"'SEC. 981. Elections as to treatment of income subject to foreign community property laws.

"'SEC. 981. ELECTION AS TO TREATMENT OF INCOME SUBJECT TO FOREIGN COMMUNITY PROPERTY LAWS.

"'(a) GENERAL RULE.—In the case of any taxable year beginning after December 31, 1966, if—

"'(1) an individual is (A) a citizen of the United States, (B) a bona fide resident of a foreign country or countries during the entire taxable year, and (C) married at the close of the taxable year to a spouse who is a nonresident alien during the entire taxable year, and

"'(2) such individual and his spouse elect to have subsection (b) apply to their community income under foreign community property laws,

then subsection (b) shall apply to such income of such individual and such spouse for the taxable year and for all subsequent taxable years for which the requirements of paragraph (1) are met, unless the Secretary or his delegate consents to a termination of the election.

"'(b) TREATMENT OF COMMUNITY INCOME.—For any taxable year to which an etlection made under subsection (a) applies, the community income under foreign community property laws of the husband and wife making the election shall be treated as follows:

"'(1) Earned income (within the meaning of the first sentence of section 911(b)), other than trade or business income and a partner's distributive share of partnership income, shall be treated as the income of the spouse who rendered the personal services.

"'(2) Trade or business income, and a partner's distributive share of partnership income, shall be treated as provided in section 1402(a)(5).

"'(3) Community income not described in paragraph (1) or (2) which is derived from the separate property (as determined under the applicable foreign community property law) of one spouse shall be treated as the income of such spouse.

"'(4) All other such community income shall be treated as provided in the applicable foreign community property law.

"'(c) ELECTION FOR PRE-1967 YEARS.—

"'(1) ELECTION.—If an individual meets the requirements of subsection (a)(1)(A) and (C) for any taxable year beginning before January 1, 1967, and if such individual