

## SEC. 2. Source of income.

- (a) Interest.
- (b) Dividends.
- (c) Personal services.
- (d) Definitions.
- (e) Effective dates.

## SEC. 3. Nonresident alien individuals.

- (a) Tax on nonresident alien individuals:
  - "SEC. 871. Tax on nonresident alien individuals.
  - "(a) Income not connected with United States business—30 percent tax.
  - "(b) Income connected with United States business—graduated rate of tax.
  - "(c) Participants in certain exchange or training programs.
  - "(d) Election to treat real property income as income connected with United States business.
  - "(e) Cross references."
- (b) Gross income.
- (c) Deductions.
- (d) Allowance of deductions and credits.
- (e) Expatriation to avoid tax:
  - "SEC. 877. Expatriation to avoid tax.
  - "(a) In general.
  - "(b) Alternative tax.
  - "(c) Special rules of source.
  - "(d) Exception for loss of citizenship for certain causes.
  - "(e) Burden of proof."
- (f) Partial exclusion of dividends.
- (g) Withholding of tax on nonresident aliens.
- (h) Liability for withheld tax.
- (i) Declaration of estimated income tax by individuals.
- (j) Gain from dispositions of certain depreciable realty.
- (k) Collection of income tax at source on wages.
- (l) Definition of foreign estate or trust.
- (m) Conforming amendment.
- (n) Effective dates.

## SEC. 4. Foreign corporations.

- (a) Tax on income not connected with United States business:
  - "SEC. 881. Income of foreign corporations not connected with United States business.
  - "(a) Imposition of tax.
  - "(b) Doubling of tax."
- (b) Tax on income connected with United States business:
  - "SEC. 882. Income of foreign corporations connected with United States business.
  - "(a) Normal tax and surtax.
  - "(b) Gross income.
  - "(c) Allowance of deductions and credits.
  - "(d) Election to treat real property income as income connected with United States business.
  - "(e) Returns of tax by agent.
  - "(f) Foreign corporations."
- (c) Withholding of tax on foreign corporations.
- (d) Dividends received from certain foreign corporations.
- (e) Unrelated business taxable income.
- (f) Corporations subject to personal holding company tax.
- (g) Amendments with respect to foreign corporations carrying on insurance business in United States.
- (h) Subpart F income.
- (i) Gain from certain sales or exchanges of stock in certain foreign corporations.
- (j) Declaration of estimated income tax by corporations.
- (k) Technical amendments.
- (l) Effective dates.

## SEC. 5. Special tax provisions.

- (a) Income affected by treaty.
- (b) Application of pre-1967 income tax provisions:
  - "SEC. 896. Application of pre-1967 income tax provisions.
  - "(a) Imposition of more burdensome taxes by foreign country.
  - "(b) Alleviation of more burdensome taxes.
  - "(c) Notification of Congress required.
  - "(d) Implementation by regulations."
- (c) Clerical amendments.
- (d) Effective date.

## SEC. 6. Foreign tax credit.

- (a) Allowance of credit to certain nonresident aliens and foreign corporations.
- (b) Alien residents of the United States or Puerto Rico.

## SEC. 7. Amendment to preserve existing law on deductions under section 931.

- (a) Deductions.
- (b) Effective date.

## SEC. 8. Estates of nonresidents not citizens.

- (a) Rate of tax.
- (b) Credits against tax.
- (c) Property within the United States.
- (d) Property without the United States.
- (e) Definition of taxable estate.
- (f) Special methods of computing tax: