~~related business taxable income which is effectively connected with the conduct of a trade or business within the United States."~~

~~(f) CORPORATION SUBJECT TO PERSONAL HOLDING COMPANY TAX.—Paragraph (7) of section 542(c) (relating to corporations not subject to the personal holding company tax) is amended to read as follows:~~

~~"(7) a foreign corporation, if all of its stock outstanding during the last half of the taxable year is owned by nonresident alien individuals, whether directly or indirectly through foreign estates, foreign trusts, foreign partnerships, or other foreign corporations;".~~

~~(g) AMENDMENTS WITH RESPECT TO FOREIGN CORPORATIONS CARRYING ON INSURANCE BUSINESS IN UNITED STATES.—~~

~~(1) Section 842 (relating to computation of gross income) is amended to read as follows:~~

~~"SEC. 842. FOREIGN CORPORATIONS CARRYING ON INSURANCE BUSINESS.~~

~~"If a foreign corporation carrying on an insurance business within the United States would qualify under part I, II, or III of this subchapter for the taxable year if (without regard to income not effectively connected with the conduct of any trade or business within the United States) it were a domestic corporation, such corporation shall be taxable~~