

1 under such part on its income effectively connected with its
 2 conduct of any trade or business within the United States.
 3 With respect to the remainder of its income, which is from
 4 sources within the United States, such a foreign corpora-
 5 tion shall be taxable as provided in section 881."

6 ~~(2)~~ The table of sections for part IV of subchapter
 7 L of chapter 1 is amended by striking out the item re-
 8 lating to section 842 and inserting in lieu thereof the
 9 following:

"Sec. 842. Foreign corporations carrying on insurance busi-
 ness."

10 ~~(3)~~ Section 819 ~~(relating to foreign life insurance~~
 11 ~~companies)~~ is amended—

12 ~~(A)~~ by striking out subsections ~~(a)~~ and ~~(d)~~
 13 and by redesignating subsections ~~(b)~~ and ~~(c)~~ as
 14 subsections ~~(a)~~ and ~~(b)~~,

15 ~~(B)~~ by striking out "In the case of any com-
 16 pany described in subsection ~~(a)~~," in subsection
 17 ~~(a)(1)~~ (as redesignated by subparagraph ~~(A)~~)
 18 and inserting in lieu thereof "In the case of any
 19 foreign corporation taxable under this part,"

20 ~~(C)~~ by striking out "subsection ~~(c)~~" in the
 21 last sentence of subsection ~~(a)(2)~~ (as redesignated
 22 by subparagraph ~~(A)~~) and inserting in lieu thereof
 23 "subsection ~~(b)~~,"