

1 ~~“(A) for any taxable year beginning before~~
 2 January 1, 1967, as income derived from sources
 3 within the United States of a foreign corporation
 4 engaged in trade or business within the United
 5 States, or

6 ~~“(B) for any taxable year beginning after~~
 7 December 31, 1966, as income effectively con-
 8 nected with the conduct by such corporation of a
 9 trade or business within the United States.

10 This paragraph shall not apply with respect to any
 11 item which is exempt from taxation (or is subject to
 12 a reduced rate of tax) pursuant to a treaty obligation
 13 of the United States.”

14 ~~(j) DECLARATION OF ESTIMATED INCOME TAX BY~~
 15 CORPORATIONS.—Section 6016 (relating to declarations of
 16 estimated income tax by corporations) is amended by redes-
 17 ignating subsection (f) as subsection (g) and by inserting
 18 after subsection (e) the following new subsection:

19 ~~“(f) CERTAIN FOREIGN CORPORATIONS.—For pur-~~
 20 poses of this section and section 6655, in the case of a foreign
 21 corporation subject to taxation under section 11 or 1201(a),
 22 or under subchapter L of chapter 1, the tax imposed by
 23 section 881 shall be treated as a tax imposed by section 11.”