

1 *poses of subpart A of part III (relating to foreign*
 2 *tax credit), be treated as income from sources with-*
 3 *out the United States to the extent (and only to the*
 4 *extent) exceeding the amount which is 100/85ths*
 5 *of the amount of the deduction allowable under sec-*
 6 *tion 245 in respect of such dividends, or”.*

7 (c) *PERSONAL SERVICES.*—Section 861(a)(3)(C)
 8 (ii) *(relating to income from personal services) is amended*
 9 *to read as follows:*

10 *“(ii) an individual who is a citizen or*
 11 *resident of the United States, a domestic part-*
 12 *nership, or a domestic corporation, if such*
 13 *labor or services are performed for an office*
 14 *or place of business maintained in a foreign*
 15 *country or in a possession of the United States*
 16 *by such individual, partnership, or corpora-*
 17 *tion.”*

18 (d) *DEFINITIONS.*—Section 864 *(relating to defini-*
 19 *tions) is amended—*

20 (1) *by striking out “For purposes of this part,”*
 21 *and inserting in lieu thereof*

22 *“(a) SALE, ETC.—For purposes of this part,”; and*