

1 *connected with the conduct of a trade or business within*
 2 *the United States, or*

3 *“(3) such individual is a resident of Puerto Rico*
 4 *during the entire taxable year.”*

5 (k) *COLLECTION OF INCOME TAX AT SOURCE ON*
 6 *WAGES.*—*Subsection (a) of section 3401 (relating to defini-*
 7 *tion of wages for purposes of collection of income tax at*
 8 *source) is amended by striking out paragraphs (6) and (7)*
 9 *and inserting in lieu thereof the following:*

10 *“(6) for such services, performed by a nonresident*
 11 *alien individual, as may be designated by regulations*
 12 *prescribed by the Secretary or his delegate; or”.*

13 (l) *DEFINITIONS OF FOREIGN ESTATE OR TRUST.*—

14 (1) *Section 7701(a)(31) (defining foreign estate*
 15 *or trust) is amended by striking out “from sources with-*
 16 *out the United States” and inserting in lieu thereof*
 17 *“, from sources without the United States which is not*
 18 *effectively connected with the conduct of a trade or busi-*
 19 *ness within the United States,”.*

20 (2) *Section 1493 (defining foreign trust for pur-*
 21 *poses of chapter 5) is repealed.*

22 (m) *CONFORMING AMENDMENT.*—*The first sentence*
 23 *of section 932(a) (relating to citizens of possessions of the*
 24 *United States) is amended to read as follows: “Any in-*