

1           (B) *The table of sections for such subchapter B is*  
 2           *amended by adding at the end thereof the following new*  
 3           *item:*

*“Sec. 6683. Failure of foreign corporation to file return of  
 personal holding company tax.”*

4           (i) **AMENDMENTS WITH RESPECT TO FOREIGN**  
 5           **CORPORATIONS CARRYING ON INSURANCE BUSINESS IN**  
 6           **UNITED STATES.—**

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

9           **“SEC. 842. FOREIGN CORPORATIONS CARRYING ON IN-**  
 10           **SURANCE BUSINESS.**

11           *“If a foreign corporation carrying on an insurance busi-*  
 12           *ness within the United States would qualify under part I,*  
 13           *II, or III of this subchapter for the taxable year if (without*  
 14           *regard to income not effectively connected with the conduct*  
 15           *of any trade or business within the United States) it were*  
 16           *a domestic corporation, such corporation shall be taxable*  
 17           *under such part on its income effectively connected with its*  
 18           *conduct of any trade or business within the United States.*  
 19           *With respect to the remainder of its income, which is from*  
 20           *sources within the United States, such a foreign corpora-*  
 21           *tion shall be taxable as provided in section 881.”*

22           (2) *The table of sections for part IV of subchapter*