

CONTENTS

V

IV. General explanation—Continued

A. Foreign Investors Tax Act—Continued

7. Gift tax provisions-----	57
a. Tax on gifts of nonresidents not citizens (sec. 109(a) of the bill and sec. 2501 of the code)---	57
b. Situs of bonds given by expatriates (sec. 109(b) of the bill and sec. 2511 of the code)-----	57
8. Treaty obligation-----	58
B. Other amendments to the Internal Revenue Code-----	58
1. Application of investment credit to property used in U.S. possessions (sec. 201 of the bill and secs. 48(a)(2), 48(a)(5), and 48(d) of the code)-----	58
2. Medical expenses deductions of individuals age 65 or over (sec. 202 of the bill and sec. 213 of the code)---	58
3. Basis of property received in the liquidation of subsidiary (sec. 203 of the bill and sec. 334(b) (2) and (3) and sec. 453(d) of the code)-----	60
4. "Swap funds" (sec. 204 of the bill and sec. 351 of the code)-----	61
5. Minimum amount treated as earned income for retirement plans of self-employed persons (sec. 205 of the bill and sec. 401(c)(2)(B) of the code)-----	61
6. Treatment of certain income of authors, inventors, etc., as earned income for retirement plan purposes (sec. 206 of the bill and sec. 401(c)(2) of the code)---	62
7. Exclusion of certain rents from personal holding company income (sec. 207 of the bill and sec. 543 of the code)-----	63
8. Percentage depletion rate for certain clay bearing alumina (sec. 208 of the bill and sec. 613 of the code)-----	64
9. Percentage depletion rate for clam and oyster shells (sec. 209 of the bill and sec. 613 of the code)-----	64
10. Sintering and burning of shale, clay, and slate used as lightweight aggregates (sec. 210 of the bill and sec. 613 of the code)-----	65
11. Income from lapsing of straddle options (sec. 211 of the bill and sec. 1234(c) of the code)-----	65
12. Tax treatment of per-unit retain allocations (sec. 212 of the bill and secs. 1382, 1383, 1385, 1388, and 6044 of the code)-----	69
13. Excise tax rate on hearses (sec. 213 of the bill and sec. 4062 of the code)-----	71
14. Interest equalization tax; loans to insure raw material sources (sec. 214 of the bill and sec. 4914 of the code)-----	72
15. Interest equalization tax; insurance company reserve funds (sec. 215 of the bill and sec. 4914(e) of the code)-----	73
16. Interest equalization tax; dollar loans of foreign branches of U.S. banks (sec. 216 of the bill and sec. 4931(a) of the code)-----	73
C. Presidential Election Campaign Fund Act-----	73
1. Background-----	73
2. Designation of income tax payments to Presidential Election Campaign Fund (sec. 302 of the bill and sec. 6096 of the code)-----	75
3. The Presidential Election Campaign Fund and payments therefrom (sec. 303 of the bill)-----	75
4. The Advisory Board (sec. 304 of the bill)-----	76