

FOREIGN INVESTORS TAX ACT OF 1966; PRESIDENTIAL ELECTION CAMPAIGN FUND ACT; AND OTHER AMENDMENTS

OCTOBER 11, 1966.—Ordered to be printedFiled under authority of the order of the Senate of October 11, 1966

Mr. LONG of Louisiana, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 13103]

The Committee on Finance, to which was referred the bill (H.R. 13103) to amend the Internal Revenue Code of 1954 to provide equitable tax treatment for foreign investment in the United States, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

I. SUMMARY

Your committee has accepted the House bill, the Foreign Investors Tax Act of 1966, with certain changes indicated below. In the bill as amended by your committee the Foreign Investors Tax Act provisions are referred to as title I. In addition, your committee has added to the bill certain other amendments which appear as titles II, III, and IV. These titles relate to other Internal Revenue Code amendments, the Presidential Election Campaign Fund Act, and other amendments, respectively.

A summary of the principal changes made by this bill—with your committee's amendments indicated—for the most part presented in the order in which they appear in the bill follows:

A. The Foreign Investors Tax Act

1. *Interest on deposits in foreign branch banks of domestic corporations.*—Interest on deposits with foreign branch banks of U.S. corporations or partnerships is to be treated as foreign source income, and