

the purpose of computing deductions for contributions to such plans. This change will be effective for taxable years ending after the date of enactment of this act.

*7. Exclusion of certain rents from personal holding company income.*—This amendment provides, for taxable years beginning after the date of enactment of the act (and certain earlier years at the election of the taxpayer), that rent received from the lease of tangible personal property manufactured by a taxpayer is not to be treated as personal holding company income.

*8. Percentage depletion in the case of certain clay-bearing alumina.*—This amendment provides, with respect to taxable years beginning after the date of enactment, a percentage depletion rate of 23 percent for alumina and aluminum compounds extracted from domestic deposits of clay, laterite, and nephelite syenite. It further provides that in computing gross income from mining all processes applied to derive alumina or aluminum compounds from such clay, laterite, and nephelite syenite are to be treated as mining processes.

*9. Percentage depletion rate for clam and oyster shells.*—This amendment provides that mollusk shells (including clam and oyster shells) are to be allowed percentage depletion at the same rate (15 percent) as is applicable in the case of limestone and other calcium carbonates. This change is applicable to taxable years beginning after the date of enactment.

*10. Sintering and burning of shale, clay, and slate.*—This amendment provides that for purposes of percentage depletion, the sintering or burning of shale, clay, and slate used or sold for use as lightweight aggregates is to be treated as a mining process. This amendment is applicable to taxable years beginning after the date of enactment.

*11. Straddles.*—This amendment provides that, with respect to straddle transactions entered into after January 25, 1965, the income from the lapse of an option which originated as part of a straddle is to be treated as a short-term capital gain (instead of ordinary income). This permits it to be netted against any capital loss which may result from the exercise of the other option in the straddle while retaining what in most respects is ordinary income treatment for any excess of net short-term capital gain over net long-term capital loss.

*12. The taxation of per-unit retain allocations of cooperatives.*—The bill clarifies present law dealing with the taxation of cooperatives and patrons to insure that a current single tax is paid, at either the cooperative or patron level, with respect to per-unit retain certificates. In so doing, the amendment makes the treatment of these certificates generally comparable to the treatment of patronage dividends under present law.

*13. The excise tax on hearses.*—This bill provides that the sale of an ambulance, hearse, or combination ambulance-hearse vehicle is to be considered to be the sale of an automobile chassis or automobile body (rather than a truck chassis or body) for purposes of determining the manufacturers' excise tax on motor vehicles. This change applies with respect to articles sold after the date of enactment of this bill.

*14. Interest equalization tax: raw material source loans.*—Subsequent transfers of debt obligations to assure raw material sources are