

[P. 25317]

EQUITABLE TAX TREATMENT FOR FOREIGN INVESTMENT IN THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1675, H.R. 13103.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 13103) to amend the Internal Revenue Code of 1954 to provide equitable tax treatment for foreign investment in the United States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment, to strike out all after the enacting clause and insert:

SECTION 1. TABLE OF CONTENTS, ETC.

(a) TABLE OF CONTENTS.—

Sec. 1. Table of contents, etc.

- (a) Table of contents.
- (b) Amendment of 1954 Code.

TITLE I—FOREIGN INVESTORS TAX ACT

Sec. 102. Source of income.

- (a) Interest.
- (b) Dividends.
- (c) Personal services.
- (d) Definitions.
- (e) Effective dates.

Sec. 103. Nonresident alien individuals.

- (a) Tax on nonresident alien individuals.
- (b) Gross income.
- (c) Deductions.
- (d) Allowance of deductions and credits.
- (e) Beneficiaries of estates and trusts.
- (f) Expatriation to avoid tax.
- (g) Partial exclusion of dividends.
- (h) Withholding of tax on nonresident aliens.
- (i) Liability for withheld tax.
- (j) Declaration of estimated income tax by individuals.
- (k) Collection of income tax at source on wages.
- (l) Definitions of foreign estate or trust.
- (m) Conforming amendment.
- (n) Effective dates.

Sec. 104. Foreign corporations.

- (a) Tax on income not connected with United States business.
- (b) Tax on income connected with United States business.
- (c) Withholding of tax on foreign corporations.
- (d) Dividends received from certain wholly-owned foreign subsidiaries.
- (e) Distributions of certain foreign corporations.
- (f) Unrelated business taxable income.
- (g) Corporations subject to personal holding company tax.
- (h) Amendments with respect to foreign corporations carrying on insurance business in United States.
- (i) Subpart F income.
- (j) Gain from certain sales or exchanges of stock in certain foreign corporations.

- (l) Declaration of estimated income tax by corporations.

- (m) Technical amendments.

- (n) Effective dates.

Sec. 105. Special tax provisions.

- (a) Income affected by treaty.
- (b) Adjustment of tax because of burdensome or discriminatory foreign taxes.
- (c) Clerical amendments.
- (d) Effective date.
- (e) Elections by nonresident United States citizens who are subject to foreign community property laws.
- (f) Presumptive date of payment for tax withheld under chapter 3.

Sec. 106. Foreign tax credit.

- (a) Allowance of credit to certain nonresident aliens and foreign corporations.
- (b) Alien resident of the United States or Puerto Rico.
- (c) Foreign tax credit in respect of interest received from foreign subsidiaries.

Sec. 107. Amendments to preserve existing law on deductions under section 931.

- (a) Deductions.
- (b) Effective date.

Sec. 108. Estates of nonresidents not citizens.

- (a) Rate of tax.
- (b) Credits against tax.
- (c) Property within the United States.
- (d) Property without the United States.
- (e) Definition of taxable estate.
- (f) Special methods of computing tax.
- (g) Estate tax returns.
- (h) Clerical amendment.
- (i) Effective date.

Sec. 109. Tax on gifts of nonresidents not citizens.

- (a) Imposition of tax.
- (b) Transfers in general.
- (c) Effective date.

Sec. 110. Treaty obligations.

TITLE II—OTHER AMENDMENTS TO INTERNAL REVENUE CODE

Sec. 201. Application of investment credit to property used in possessions of the United States.

- (a) Property used by domestic corporations, etc.
- (b) Effective date.

Sec. 202. Deduction of medical expenses of individuals age 65 or over.

- (a) Repeal of amendments made by social security amendments of 1965.
- (b) Cost of medical insurance.
- (c) Effective date.

Sec. 203. Basis of property received on liquidation of subsidiary.

- (a) Definition of purchase.
- (b) Period of acquisition.
- (c) Distribution of installment obligations.
- (d) Effective dates.

Sec. 204. Transfers of stock and securities to corporations controlled by transferors.

- (a) Transfers to investment companies.
- (b) Effective date.

Sec. 205. Minimum amount treated as earned income for retirement plans of certain self-employed individuals.

- (a) Increase to \$6,600.
- (b) Effective date.

Sec. 206. Treatment of certain income of authors, inventors, etc., as earned income for retirement plan purposes.