

1 ~~(B)~~ Section 11 ~~(relating to tax on corporations)~~ is
 2 amended by adding at the end thereof the following
 3 new subsection:

4 ~~“(f)~~ FOREIGN CORPORATIONS.—In the case of a foreign
 5 corporation, the tax imposed by subsection ~~(a)~~ shall apply
 6 only as provided by section 882.”

7 ~~(3)~~ The table of sections for subpart B of part II
 8 of subchapter N of chapter 1 is amended by striking out
 9 the items relating to sections 881 and 882 and inserting
 10 in lieu thereof the following:

“Sec. 881. Income of foreign corporations not connected
 with United States business.”

“Sec. 882. Income of foreign corporations connected with
 United States business.”

11 ~~(e)~~ WITHHOLDING OF TAX ON FOREIGN CORPORA-
 12 TIONS.—Section 1442 ~~(relating to withholding of tax on~~
 13 foreign corporations) is amended to read as follows:

14 “SEC. 1442. WITHHOLDING OF TAX ON FOREIGN CORPO-
 15 RATIONS.

16 ~~“(a)~~ GENERAL RULE.—In the case of foreign corpora-
 17 tions subject to taxation under this subtitle, there shall be
 18 deducted and withheld at the source in the same manner and
 19 on the same items of income as is provided in section 1441
 20 or section 1451 a tax equal to 30 percent thereof; except
 21 that, in the case of interest described in section 1451 ~~(relat-~~