

1 *L of chapter 1 is amended by striking out the item re-*
 2 *lating to section 842 and inserting in lieu thereof the*
 3 *following:*

"Sec. 842. Foreign corporations carrying on insurance busi-
ness."

4 *(3) Section 819 (relating to foreign life insurance*
 5 *companies) is amended—*

6 *(A) by striking out subsections (a) and (d)*
 7 *and by redesignating subsections (b) and (c) as*
 8 *subsections (a) and (b),*

9 *(B) by striking out "In the case of any com-*
 10 *pany described in subsection (a)," in subsection*
 11 *(a)(1) (as redesignated by subparagraph (A))*
 12 *and inserting in lieu thereof "In the case of any*
 13 *foreign corporation taxable under this part,"*

14 *(C) by striking out "subsection (c)" in the*
 15 *last sentence of subsection (a)(2) (as redesignated*
 16 *by subparagraph (A)) and inserting in lieu thereof*
 17 *"subsection (b),"*

18 *(D) by adding at the end of subsection (a)*
 19 *(as redesignated by subparagraph (A)) the fol-*
 20 *lowing new paragraph:*

21 *"(3) REDUCTION OF SECTION 881 TAX.—In the*
 22 *case of any foreign corporation taxable under this part,*
 23 *there shall be determined—*