

1 “(A) the amount which would be subject to
2 tax under section 881 if the amount taxable under
3 such section were determined without regard to sec-
4 tions 103 and 894, and

5 “(B) the amount of the reduction provided
6 by paragraph (1).

7 The tax under section 881 (determined without regard
8 to this paragraph) shall be reduced (but not below
9 zero) by an amount which is the same proportion of
10 such tax as the amount referred to in subparagraph (B)
11 is of the amount referred to in subparagraph (A); but
12 such reduction in tax shall not exceed the increase in
13 tax under this part by reason of the reduction provided
14 by paragraph (1).”,

15 (E) by striking out “for purposes of subsec-
16 tion (a)” each place it appears in subsection (b)
17 (as redesignated by subparagraph (A)) and insert-
18 ing in lieu thereof “with respect to a foreign
19 corporation”,

20 (F) by striking out “foreign life insurance
21 company” each place it appears in such subsection
22 (b) and inserting in lieu thereof “foreign corpora-
23 tion”,