

1 (c) *FOREIGN TAX CREDIT IN RESPECT OF INTEREST*
2 *RECEIVED FROM FOREIGN SUBSIDIARIES.*—

3 (1) *Section 904(f)(2) (relating to application of*
4 *limitations on foreign tax credit in case of certain interest*
5 *income) is amended—*

6 (A) *by striking out subparagraph (C) and*
7 *inserting in lieu thereof the following:*

8 “(C) *received from a corporation in which the*
9 *taxpayer (or one or more includible corporations in*
10 *an affiliated group, as defined in section 1504, of*
11 *which the taxpayer is a member) owns, directly or*
12 *indirectly, at least 10 percent of the voting stock,”.*

13 (B) *by adding at the end thereof the following*
14 *new sentence:*

15 “*For purposes of subparagraph (C), stock owned, di-*
16 *rectly or indirectly, by or for a foreign corporation*
17 *shall be considered as being proportionately owned by*
18 *its shareholders.”*

19 (2) *The amendments made by paragraph (1) shall*
20 *apply to interest received after December 31, 1965,*
21 *in taxable years ending after such date.*