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Pp. 120, 121, 123 (1) *Fixed or determinable income.*—This amendment provides for a withholding tax on the following additional types of income: (1) the contingent income derived from the sale of patents and other intangibles; (2) a foreign partner's share of the U.S. income of a domestic partnership which is not effectively connected with the partnership's business; and (3) amounts received on retirement or exchange of bonds issued after September 28, 1965, which are treated as gains from the sale of property which is not a capital asset (sec. 1232).

Pp. 120–123 (2) Technical and clerical changes.

(i) Liability for withheld tax. (*Pp.* 123 and 124.)

P. 123 Clerical change.

(j) Declaration of estimated income tax by individuals. (Pp. 124–125.)

P. 125 Clerical change.

(k) Collection of income tax at source on wages. (P. 125.)

(1) *Recapture rule regarding depreciable realty.*—This amendment strikes the House provision which provides that the recapture rule applicable to depreciable realty is to apply to the transfer of depreciable real estate by a foreigner to a domestic corporation in a tax-free exchange for stock or securities of a domestic corporation.

P. 125 (2) Clerical change.

(l) Definitions of foreign estate or trust. (P. 125.)

P. 125 Technical change.

(m) Conforming amendment. (Pp. 125–126.)

P. 125 Clerical change.

(n) Effective dates. (P. 126.)

P. 126 Clerical change.

Section 104. FOREIGN CORPORATIONS. (Pp. 126–150.)

(a) Tax on income not connected with U.S. business. (Pp. 126–128.)