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amendments

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(2) *U.S. ownership de minimus rule.*—This amendment provides a de minimus rule in addition to the general exception provided in the House bill. Under the amendment, in the case of foreign corporations with only 10 percent or less U.S. ownership, the personal holding company tax is to be assessed only on the corporation's undistributed personal holding company income attributable to the U.S. shareholders' interest.

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(3) *Additional penalty for failure to file.*—As indicated above the Senate adopted an amendment which provides that a foreign corporation can claim all appropriate deductions in computing its personal holding company tax notwithstanding the general rule disallowing deductions where no return is filed. However, a 10 percent addition to taxes otherwise due is to be assessed in such a case.

(i) Amendments with respect to foreign corporations carrying on insurance business in the United States. (Pp. 143–147.)

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Clerical change:

(j) Subpart F income. (Pp. 147–148.)

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Clerical change:

(k) Gain from certain sales or exchanges of stock in certain foreign corporations. (Pp. 148–149.)

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Clerical change:

(l) Declaration of estimated income tax by corporations. (P. 149.)

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(m) Technical amendments. (Pp. 149–150.)

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Technical and clerical changes.

(n) Effective dates. (P. 150.)

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Clerical change.

Section 105. SPECIAL TAX PROVISIONS. (Pp. 150–163.)

(a) Income affected by treaty. (Pp. 150–151.)

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Clerical changes.

(b) Adjustment to tax because of burdensome or discriminatory foreign taxes. (Pp. 151–155.)