

[October 19, 1966]

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FOREIGN INVESTORS TAX OF 1966

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill, H.R. 13103.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONFERENCE REPORT (H. REPT. No. 2327)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13103) to amend the Internal Revenue Code of 1954 to provide equitable tax treatment for foreign investment in the United States, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with the following amendments (pages and lines refer to pages and lines of the Senate engrossed amendments):

Page 7, strike out line 6, and insert: "an agreement to pay interest thereon." Effective with respect to amounts paid or credited after December 31, 1972, subsection (a) (1) (A) and this subsection shall cease to apply."

Page 7, line 22, strike out "ration," and insert: "ration (other than interest paid or credited after December 31, 1972, by a domestic branch of a foreign corporation, if such branch is engaged in the commercial banking business)."

Page 8, line 7, strike out "foreign corporation," and insert: "foreign corporation [P. 26666]

(other than interest paid or credited after December 31, 1972, by a domestic branch of a foreign corporation, if such branch is engaged in the commercial banking business)."

Page 52, line 17, strike out "871 (b) (1)" and insert: "871 (b) (2)".

Page 52, line 18, strike out "882(a)" and insert: "882(a) (2)".

Page 73, line 2, strike out the period and insert a comma.

Page 74, in the matter following line 12, strike out "Elections" and insert: "Election".

Page 92, line 14, strike out the period and insert a comma.

Page 92, line 16, after "States." insert: "With respect to estates of decedents dying after December 31, 1972, deposits with a domestic branch of a foreign corporation, if such branch is engaged in the commercial banking business, shall, for purposes of this subchapter, be deemed property within the United States."

Page 93, line 16, strike out "(3)" and insert: "(3) of".

Page 101, line 13, after "owned" insert: "and held".

Page 102, line 19, strike out "934 (b)" and insert: "934 (c)".

Page 103, beginning with line 9, strike out all through line 2, page 105.

Page 105, line 3, strike out "203" and insert: "202".

Page 107, beginning with line 3, strike out all through line 14, and insert:

"SEC. 203. TRANSFERS OF PROPERTY TO INVESTMENT COMPANIES CONTROLLED BY TRANSFERORS.

"(a) Transfers to Investment Companies.—The first sentence of section 351(a) (relating to transfer to corporation controlled by the transferor) is amended by striking out 'to a corporation' and inserting in lieu thereof 'to a corporation (including, in the case of transfers made on or before June 30, 1967, an investment company)'."

"(b) Investment Companies Required to File Registration Statement With The S.E.C.—Section 351 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Application of June 30, 1967, Date.—For purposes of this section, if, in connection with the transaction, a registration statement is required to be filed with the Securities and Exchange Commission, a transfer of property to an investment company shall be treated as made on or before June 30, 1967, only if—

"(1) such transfer is made on or before such date,

"(2) the registration statement was filed with the Securities and Exchange Commission before January 1, 1967, and the aggregate issue price of the stock and securities of the investment company which are issued in the transaction does not exceed the aggregate amount thereof specified in the registration statement as of the close of December 31, 1966, and

"(3) the transfer of property to the investment company in the transaction includes only property deposited before May 1, 1967."

"(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply with respect to transfers of property to investment companies whether made before, on, or after the date of the enactment of this Act."

Page 107, strike out lines 15 through 25.

Page 108, line 1, strike out "206" and insert: "204".

Page 108, between lines 8 and 9, insert: "(b) Conforming Amendments.—"

Page 108, line 9, strike out "(b)".

Page 110, line 7, strike out "207" and insert: "205".

Page 111, line 3, strike out "208" and insert: "206".

Page 113, line 3, strike out "209" and insert: "207".

Page 113, beginning with line 13, strike out all through line 5, page 114, and insert:

"(b) Effective Date.—The amendments made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act."

Page 114, line 6, strike out "210" and insert: "208".

Page 114, beginning with line 18, strike out all through line 6, page 115, and insert:

"SEC. 209. PERCENTAGE DEPLETION RATE FOR CERTAIN CLAY, SHALE, AND SLATE.

"(a) 7½ Percent Rate.—Section 613(b) (relating to percentage depletion rates) is amended—

"(1) by renumbering paragraphs (5) and (6) as (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) 7½ percent—clay and shale used or sold for use in the manufacture of sewer pipe or brick, and clay, shale, and slate used