be gain from the sale or exchange of a capital asset held for less than six months on the day that the option expires.

"(2) DEFINITIONS.—

"(A) For purposes of this section a 'straddle' is defined as a combination of an option to buy and an option to sell, giving the holder the right to both buy and sell a specified quantity of a security at a fixed price for a stated period of time.

"(B) For purposes of this paragraph 'security' shall not include contracts to buy or sell commodities.

"(3) EXCLUSION OF DEALERS.—This subsection shall not apply to any person who holds securities for sale to customers in the ordinary course of his trade or business."

EFFECTIVE DATE

SEC. 2. This Act shall apply to options granted after January 25, 1965.