"Part V. Tax Surcharge"

(d) Effective Date.—The amendments made by this section shall apply—

(1) Insofar as they relate to individuals, with respect to taxable years ending after September 30, 1967, and beginning before July 1, 1969.

(2) Insofar as they relate to corporations, with respect to taxable years ending after June 30, 1967, and beginning before July 1, 1969.

SEC. 3. RAISING FROM 70 PERCENT TO 80 PERCENT THE ESTIMATED TAX WHICH MUST BE PAID IN INSTALLMENTS BY CORPORATIONS

(a) In General.—Section 6655(b) (relating to amount of underpayment), and section 6655 (d) (relating to exception), are amended by striking out "70 percent" each place it appears therein and inserting in lieu thereof "80 percent".

(b) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1967.

SEC. 4. PAYMENT OF FIRST $100,000 OF ESTIMATED TAX

(a) Requirement of Declaration.—Section 6016(a) (relating to requirement of declaration of estimated tax in case of corporations) is amended by striking out "$100,000" and inserting in lieu thereof "$40".

(b) Reduction of Exclusion from Estimated Tax.—Section 6016(b) (relating to the definition of estimated tax in the case of a corporation) is amended to read as follows:

"(b) Estimated Tax.—

"(1) Definition.—For purposes of this title, in the case of a corporation, the term 'estimated tax' means the excess of—

"(A) the amount which the corporation estimates as the amount of the income tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, reduced by the amount which the corporation estimates as the sum of any credits against tax provided by part IV of subchapter A of chapter 1, over

"(B) an amount equal to the applicable exclusion percentage (determined under paragraph (2)) multiplied by the lesser of—

"(i) $100,000, or

"(ii) the amount determined under subparagraph (A).

"(2) Exclusion percentage.—The term 'exclusion percentage' means—

If the declaration is for a taxable year beginning in—	The exclusion percentage is—
1968	80
1969	60
1970	40
1971	20
1972 or later	0

(c) Exception from Addition to Tax.—Section 6655 (d)(1) is amended by striking out the phrase "reduced by $100,000" and inserting in lieu thereof "reduced by an amount equal to the applicable exclusion percentage, determined under section 6016 (b)(2), multiplied by the lesser of $100,000 or the amount of such tax".

(d) Addition to Tax for Underpayment of Estimated Tax.—Section 6655 (e) (relating to the definition of tax) is amended to read as follows:

"(e) Definition of Tax.—For purposes of subsection (b), (d)(2), and (d)(3), the term 'tax' means the excess of—

"(1) the amount of tax imposed by section 11 or 1201 (a), or subchapter L of chapter 1, whichever is applicable, reduced by the sum of any credits against tax provided by part IV of subchapter A of chapter 1, over

"(2) an amount equal to the applicable exclusion percentage, (determined under section 6016 (b)(2)), multiplied by the lesser of—

"(A) $100,000, or

"(B) the amount determined in paragraph (1)."

(e) Technical Amendment.—Clause (v) of section 243 (b)(3)(C) is amended by striking out "100,000".

(f) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1967.