

68A Stat. 286.

(2) Section 902 of the Internal Revenue Code of 1954 (relating to credit for corporate stockholder in foreign corporation) is amended by adding at the end thereof the following new subsection:

“(e) CROSS REFERENCE.—

“For reduction of credit with respect to dividends paid out of accumulated profits for years for which certain information is not furnished, see section 6038.”

(c) The amendments made by subsections (a) and (b) shall apply to taxable years of domestic corporations beginning after December 31, 1960, with respect to information relating to a foreign corporation or a foreign subsidiary described in section 6038(a) of the Internal Revenue Code of 1954 (as added by subsection (a)) for its annual accounting periods beginning after December 31, 1960.

Ante, p. 1014.

68A Stat. 747.

SEC. 7. (a) Section 6046 of the Internal Revenue Code of 1954 (relating to information returns as to formation or reorganization of foreign corporations) is amended to read as follows:

**“SEC. 6046. RETURNS AS TO CREATION OR ORGANIZATION, OR REORGANIZATION, OF FOREIGN CORPORATIONS.**

“(a) GENERAL RULE.—On or before the 90th day after the creation or organization, or reorganization, of any foreign corporation—

“(1) Each United States citizen or resident who was an officer or director of the corporation at any time within 60 days after the creation or organization, or reorganization thereof, and

“(2) Each United States shareholder of the corporation by or for whom, at any time within 60 days after the creation or organization or reorganization of the corporation, 5 percent or more in value of the stock of the corporation then outstanding was owned directly or indirectly (including, in the case of an individual, stock owned by members of his family),

shall make a return in compliance with the provisions of subsection (b).

“(b) FORM AND CONTENTS OF RETURNS.—The returns required by subsection (a) shall be in such form and shall set forth, in respect of the foreign corporation, such information as the Secretary or his delegate prescribes by forms or regulations as necessary for carrying out the provisions of the income tax laws.

“(c) MEANING OF TERMS.—For the purpose of this section—

“(1) UNITED STATES SHAREHOLDER.—The term ‘United States shareholder’ includes a citizen or resident of the United States, a domestic corporation, a domestic partnership or an estate or trust (other than an estate or trust the gross income of which under subtitle A includes only income from sources within the United States).

“(2) MEMBERS OF FAMILY.—The family of an individual shall be considered as including only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

“(d) CROSS REFERENCE.—

“For provisions relating to penalties for violations of this section, see section 7203.”

(b) The table of sections for subpart B of part III of chapter 61 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following:

“Sec. 6046. Returns as to creation or organization, or reorganization, of foreign corporations.”

Applicability.

SEC. 8. The amendments made by section 7 shall apply only with respect to foreign corporations created or organized, or reorganized, after the date of the enactment of this Act.

Approved September 14, 1960.