

The election under clause (ii) shall be made on or before the 60th day after the date of the enactment of this chapter under regulations prescribed by the Secretary or his delegate. Such election shall be effective as of the date specified by the corporation, but not later than the date on which such election is made, and shall remain in effect until revoked. If, at the close of any succeeding calendar quarter, the company ceases to meet the requirement of clause (i), the election shall thereupon (with respect to quarters after such calendar quarter) be deemed revoked. When an election is revoked no further election may be made. If the assets of a foreign corporation are acquired by a domestic corporation in a reorganization described in subparagraph (D) or (F) of section 368(a)(1), the two corporations shall be considered a single domestic corporation for purposes of this subparagraph.

26 USC 368.

“(4) UNITED STATES PERSON.—The term ‘United States person’ means—

“(A) a citizen or resident of the United States,

“(B) a domestic partnership,

“(C) a domestic corporation, other than a corporation described in paragraph (3)(B),

“(D) an agency or wholly-owned instrumentality of the United States,

“(E) a State or political subdivision, or any agency or instrumentality thereof, and

“(F) any estate or trust—

“(i) the income of which from sources without the United States is includible in gross income under subtitle A (or would be so includible if not exempt from tax under section 501(a), section 521(a), or section 584(b)),

26 USC 501,
521, 584.

“(ii) which is situated in the Commonwealth of Puerto Rico or a possession of the United States.

“(5) DOMESTIC CORPORATION; DOMESTIC PARTNERSHIP.—The terms ‘domestic corporation’ and ‘domestic partnership’ mean, respectively, a corporation or partnership created or organized in the United States or under the laws of the United States or of any State, except that such terms do not include a branch office of such a corporation or partnership located outside the United States if —

“(A) such corporation or partnership (without regard to the activities of such office) is a dealer (as defined in section 4919(c)(2));

Ante, p. 833.

“(B) such office (which is operated by employees or partners of such corporation or partnership) was located outside the United States on July 18, 1963, and was regularly engaged, as a merchant, in purchasing and selling stock or debt obligations of foreign issuers or obligors with a view to the gains and profits which may be derived therefrom, for a period of not less than 12 consecutive calendar months prior to July 18, 1963;

“(C) all acquisitions by such branch office of stock of foreign issuers and debt obligations of foreign obligors are made in the ordinary course of its business as such a merchant or as an underwriter (as defined in section 4919(c)(1));

“(D) such office maintains separate books and records reasonably reflecting the assets and liabilities properly attributable to such office; and