

and, once made, may be revoked only with the consent of the Secretary.

“(g) OTHER SPECIAL RULES.—

26 USC 404.

“(1) NO DEDUCTION FOR CERTAIN AMOUNTS.—Except as provided in section 404(a)(5), no deduction shall be allowed under this section for any item to the extent such item is attributable to services—

“(A) performed by a citizen or resident of the United States who is an officer, shareholder, or highly compensated, or

“(B) performed in the United States the compensation for which is subject to tax under this chapter.

Deductions.

“(2) TAXPAYER MUST FURNISH INFORMATION.—

“(A) IN GENERAL.—No deduction shall be allowed under this section with respect to any plan for any taxable year unless the taxpayer furnishes to the Secretary with respect to such plan (at such time as the Secretary may by regulations prescribe)—

“(i) a statement from the foreign tax authorities specifying the amount of the deduction allowed in computing taxable income under foreign law for such year with respect to such plan,

“(ii) if the return under foreign tax law shows the deduction for plan contributions or reserves as a separate, identifiable item, a copy of the foreign tax return for the taxable year, or

“(iii) such other statement, return, or other evidence as the Secretary prescribes by regulation as being sufficient to establish the amount of the deduction under foreign law.

“(B) REDETERMINATION WHERE FOREIGN TAX DEDUCTION IS ADJUSTED.—If the deduction under foreign tax law is adjusted, the taxpayer shall notify the Secretary of such adjustment on or before the date prescribed by regulations, and the Secretary shall redetermine the amount of the tax for the year or years affected. In any case described in the preceding sentence, rules similar to the rules of subsection (c) of section 905 shall apply.

26 USC 905.

“(3) ACTUARIAL ASSUMPTIONS MUST BE REASONABLE; FULL FUNDING.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), principles similar to those set forth in paragraphs (3) and (7) of section 412(c) shall apply for purposes of this section.

26 USC 412.

“(B) INTEREST RATE FOR RESERVE PLAN.—

“(i) IN GENERAL.—In the case of a qualified reserve plan, in lieu of taking rates of interest into account under subparagraph (A), the rate of interest for the plan shall be the rate selected by the taxpayer which is within the permissible range.

“(ii) RATE REMAINS IN EFFECT SO LONG AS IT FALLS WITHIN PERMISSIBLE RANGE.—Any rate selected by the taxpayer for the plan under this subparagraph shall remain in effect for such plan until the first taxable year for which such rate is no longer within the permissible range. At such time, the taxpayer shall select a new rate of interest which is within the permissible range applicable at such time.