

“(38) PERSONS RESIDING OUTSIDE UNITED STATES.—If any citizen or resident of the United States does not reside in (and is not found in) any United States judicial district, such citizen or resident shall be treated as residing in the District of Columbia for purposes of any provision of this title relating to—

“(A) jurisdiction of courts, or

“(B) enforcement of summons.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the day after the date of the enactment of this Act. 26 USC 7701 note.

SEC. 337. ADMISSIBILITY OF EVIDENCE MAINTAINED IN FOREIGN COUNTRIES.

(a) GENERAL RULE.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by adding at the end thereof the following new subpart:

“Subpart I—Admissibility of Documentation Maintained in Foreign Countries

“Sec. 982. Admissibility of documentation maintained in foreign countries.

“SEC. 982. ADMISSIBILITY OF DOCUMENTATION MAINTAINED IN FOREIGN COUNTRIES. 26 USC 982.

“(a) GENERAL RULE.—If the taxpayer fails to substantially comply with any formal document request arising out of the examination of the tax treatment of any item (hereinafter in this section referred to as the ‘examined item’) before the 90th day after the date of the mailing of such request on motion by the Secretary, any court having jurisdiction of a civil proceeding in which the tax treatment of the examined item is an issue shall prohibit the introduction by the taxpayer of any foreign-based documentation covered by such request.

“(b) REASONABLE CAUSE EXCEPTION.—

“(1) IN GENERAL.—Subsection (a) shall not apply with respect to any documentation if the taxpayer establishes that the failure to provide the documentation as requested by the Secretary is due to reasonable cause.

“(2) FOREIGN NONDISCLOSURE LAW NOT REASONABLE CAUSE.—For purposes of paragraph (1), the fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the requested documentation is not reasonable cause.

“(c) FORMAL DOCUMENT REQUEST.—For purposes of this section—

“(1) FORMAL DOCUMENT REQUEST.—The term ‘formal document request’ means any request (made after the normal request procedures have failed to produce the requested documentation) for the production of foreign-based documentation which is mailed by registered or certified mail to the taxpayer at his last known address and which sets forth—

“(A) the time and place for the production of the documentation,

“(B) a statement of the reason the documentation previously produced (if any) is not sufficient,

“(C) a description of the documentation being sought, and

“(D) the consequences to the taxpayer of the failure to produce the documentation described in subparagraph (C).