

is limited to the amount of capital invested by such special partner or partners—are held to be associations within the meaning of this title, and as such are required to make returns of annual net income and pay any tax thereby shown to be due. The income received by the members out of the earnings of such limited partnerships will be treated in their personal returns in the same manner as if it were dividends on the stock of corporations and will be subject to the additional or surtaxes in the hands of the recipient.

- 306 **Art. 63. Common-law partnerships.**—Common-law partnerships are not associations within the meaning of income-tax law, and are therefore not required to make returns for the purpose of the income tax except as they may be requested by the Commissioner of Internal Revenue or by any district collector to make returns of their earnings, profits, and income.

### FOREIGN CORPORATIONS.

- 307 **Art. 64. Taxable income.**—Under section 10 of Title I of the act of September 8, 1916, as amended, a tax of 2 per cent shall be levied assessed, collected, and paid annually upon the total net income received in the preceding calendar year, from all sources within the United States, by every corporation, joint-stock company or association or insurance company organized, authorized, or existing under the laws of any foreign country.
- 308 **Art. 65. War income tax.**—The additional tax of 4 per cent on net income imposed by the act of October 3, 1917, shall apply to foreign corporations in the same manner as in the case of domestic corporations, except that it shall apply only to income received from sources within the United States.
- 309 **Art. 66. Source within United States.**—It is not necessary that the foreign corporation shall be engaged in business in this country or that it have an office, branch, or agency in the United States. Liability to the tax attaches with respect to the income, the source of which is in the United States.
- 310 “Source” as here used means the place of the origin of the income.
- 311 Every foreign corporation having income from sources within the United States must make returns of annual net income in accordance with the rule set out in section 12 (b) of the act of September 8, 1916, as amended by the act of October 3, 1917.

### CORPORATIONS EXEMPT FROM TAX.

- 312 **Art. 67. Conditional.**—Corporations or associations organized and operated exclusively for religious, charitable, scientific, or educational purposes, business leagues, chambers of commerce, boards of trade, civic leagues, cemetery companies, and pleasure and recreation