

## EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 applicable to taxable years beginning after Dec. 31, 1969, see section 101(k)(2)(B) of Pub. L. 91-172, set out as an Effective Date note under section 4940 of this title.

## EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-809 applicable with respect to taxable years beginning after Dec. 31, 1966, see section 104(n) of Pub. L. 89-809, set out as a note under section 11 of this title.

## SUBPART C—TAX ON GROSS TRANSPORTATION INCOME

Sec.

887. Imposition of tax on gross transportation income of nonresident aliens and foreign corporations.

**§ 887. Imposition of tax on gross transportation income of nonresident aliens and foreign corporations**

**(a) Imposition of tax**

In the case of any nonresident alien individual or foreign corporation, there is hereby imposed for each taxable year a tax equal to 4 percent of such individual's or corporation's United States source gross transportation income for such taxable year.

**(b) United States source gross transportation income**

**(1) In general**

Except as provided in paragraphs (2) and (3), the term "United States source gross transportation income" means any gross income which is transportation income (as defined in section 863(c)(3)) to the extent such income is treated as from sources in the United States under section 863(c)(2). To the extent provided in regulations, such term does not include any income of a kind to which an exemption under paragraph (1) or (2) of section 883(a) would not apply.

**(2) Exception for certain income effectively connected with business in the United States**

The term "United States source gross transportation income" shall not include any income taxable under section 871(b) or 882.

**(3) Exception for certain income taxable in possessions**

The term "United States source gross transportation income" does not include any income taxable in a possession of the United States under the provisions of this title as made applicable in such possession.

**(4) Determination of effectively connected income**

For purposes of this chapter, United States source gross transportation income of any taxpayer shall not be treated as effectively connected with the conduct of a trade or business in the United States unless—

(A) the taxpayer has a fixed place of business in the United States involved in the earning of United States source gross transportation income, and

(B) substantially all of the United States source gross transportation income (deter-

mined without regard to paragraph (2)) of the taxpayer is attributable to regularly scheduled transportation (or, in the case of income from the leasing of a vessel or aircraft, is attributable to a fixed place of business in the United States).

**(c) Coordination with other provisions**

Any income taxable under this section shall not be taxable under section 871, 881, or 882.

(Added Pub. L. 99-514, title XII, § 1212(b)(1), Oct. 22, 1986, 100 Stat. 2537; amended Pub. L. 100-647, title I, § 1012(e)(6), Nov. 10, 1988, 102 Stat. 3500; Pub. L. 101-239, title VII, § 7811(i)(8)(A), (B), (9), Dec. 19, 1989, 103 Stat. 2410, 2411.)

## AMENDMENTS

1989—Subsec. (b)(1). Pub. L. 101-239, § 7811(i)(8)(B), substituted "paragraphs (2) and (3)" for "paragraph (2)".

Subsec. (b)(3). Pub. L. 101-239, § 7811(i)(8)(A), added par. (3). Former par. (3) redesignated (4).

Subsec. (b)(4). Pub. L. 101-239, § 7811(i)(8)(A), (9), redesignated former par. (3) as (4) and substituted "United States source gross transportation income" for "transportation income" in introductory provisions and in subpar. (A).

1988—Subsec. (b)(1). Pub. L. 100-647 substituted "under section 863(c)(2)" for "under section 863(c)" and inserted at end "To the extent provided in regulations, such term does not include any income of a kind to which an exemption under paragraph (1) or (2) of section 883(a) would not apply."

## EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 effective, except as otherwise provided, as if included in the provision of the Technical and Miscellaneous Revenue Act of 1988, Pub. L. 100-647, to which such amendment relates, see section 7817 of Pub. L. 101-239, set out as a note under section 1 of this title.

## EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

## EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1986, see section 1212(f) of Pub. L. 99-514, set out as an Effective Date of 1986 Amendment note under section 863 of this title.

APPLICABILITY OF CERTAIN AMENDMENTS BY PUB. L. 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For nonapplication of amendment by section 1212(b)(1) of Pub. L. 99-514 (enacting this section) to the extent application of such amendment would be contrary to any treaty obligation of the United States in effect on Oct. 22, 1986, with provision that for such purposes any amendment by title I of Pub. L. 100-647 be treated as if it had been included in the provision of Pub. L. 99-514 to which such amendment relates, see section 1012(aa)(3), (4) of Pub. L. 100-647, set out as a note under section 861 of this title.

## SUBPART D—MISCELLANEOUS PROVISIONS

Sec.

891. Doubling of rates of tax on citizens and corporations of certain foreign countries.

892. Income of foreign governments and of international organizations.

893. Compensation of employees of foreign governments or international organizations.