

**(3) Other earnings and profits**

The earnings and profits for a taxable year which are described in neither paragraph (1) nor (2) shall constitute the other earnings and profits for such year.

**(g) Effectively connected income**

In the case of a shareholder who is a non-resident alien individual or a foreign corporation, trust, or estate, gains referred to in section 995(c) and all distributions out of accumulated DISC income including deemed distributions shall be treated as gains and distributions which are effectively connected with the conduct of a trade or business conducted through a permanent establishment of such shareholder within the United States and which are derived from sources within the United States.

(Added Pub. L. 92-178, title V, §501 Dec. 10, 1971, 85 Stat. 547; amended Pub. L. 94-455, title XI, §1101(e), title XIX, §§1901(b)(3)(I), Oct. 4, 1976, 90 Stat. 1659, 1793; Pub. L. 95-600, title VII, §703(i)(3), Nov. 6, 1978, 92 Stat. 2940; Pub. L. 98-369, div. A, title VIII, §801(d)(10), July 18, 1984, 98 Stat. 997; Pub. L. 99-514, title XVIII, §1876(k), Oct. 22, 1986, 100 Stat. 2900.)

## AMENDMENTS

1986—Subsec. (a)(2). Pub. L. 99-514 inserted last sentence and struck out former last sentence which read as follows: "In the case of any amount of any actual distribution made pursuant to section 992(c) which is required to satisfy the condition of section 992(a)(1)(A), the preceding sentence shall apply to one-half of such amount, and paragraph (1) shall apply to the remaining one-half of such amount."

1984—Subsec. (g). Pub. L. 98-369 inserted "and which are derived from sources within the United States".

1978—Subsec. (a)(2). Pub. L. 95-600 substituted "section (b)(1)(G)" for "section (b)(1)(E)".

1976—Subsec. (a)(2). Pub. L. 94-455, §1101(e), inserted at end "In the case of any amount of any actual distribution made pursuant to section 992(c) which is required to satisfy the condition of section 992(a)(1)(A), the preceding sentence shall apply to one-half of such amount, and paragraph (1) shall apply to the remaining one-half of such amount."

Subsec. (d). Pub. L. 94-455, §1901(b)(3)(I), substituted "ordinary income" for "gain from the sale or exchange of property which is not a capital asset" in par. (1)(A) after "dividend or as" and, in par. (2), after "treated as".

## EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

## EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to distributions on or after June 22, 1984, see section 805(a)(3) of Pub. L. 98-369, as amended, set out as a note under section 245 of this title.

## EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 effective on Oct. 4, 1976, see section 703(r) of Pub. L. 95-600, set out as a note under section 46 of this title.

## EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1101(e) of Pub. L. 94-455 applicable to taxable years beginning after Dec. 31, 1975, see section 1101(g)(1) of Pub. L. 94-455, set out as a note under section 905 of this title.

Amendment by section 1901(b)(3)(I) of Pub. L. 94-455 applicable with respect to taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as a note under section 2 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL  
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

**§ 997. Special subchapter C rules**

For purposes of applying the provisions of subchapter C of chapter 1, any distribution in property to a corporation by a DISC or former DISC which is made out of previously taxed income or accumulated DISC income shall—

(1) be treated as a distribution in the same amount as if such distribution of property were made to an individual, and

(2) have a basis, in the hands of the recipient corporation, equal to the amount determined under paragraph (1).

(Added Pub. L. 92-178, title V, §501, Dec. 10, 1971, 85 Stat. 549.)

PART V—INTERNATIONAL BOYCOTT  
DETERMINATIONS

Sec.	
999.	Reports by taxpayers; determinations.
[1000.	Reserved.]

## AMENDMENTS

1976—Pub. L. 94-455, title X, §1064(a), Oct. 4, 1976, 90 Stat. 1650, added part heading and analysis of sections.

**§ 999. Reports by taxpayers; determinations****(a) International boycott reports by taxpayers****(1) Report required**

If any person, or a member of a controlled group (within the meaning of section 993(a)(3)) which includes that person, has operations in, or related to—

(A) a country (or with the government, a company, or a national of a country) which is on the list maintained by the Secretary under paragraph (3), or

(B) any other country (or with the government, a company, or a national of that country) in which such person or such member had operations during the taxable year if such person (or, if such person is a foreign corporation, any United States shareholder of that corporation) knows or has reason to know that participation in or co-operation with an international boycott is required as a condition of doing business within such country or with such government, company, or national,

that person or shareholder (within the meaning of section 951(b)) shall report such operations to the Secretary at such time and in such manner as the Secretary prescribes, except that in the case of a foreign corporation such report shall be required only of a United