"(i) overpayments of tax made by such transferee or fiduciary, or

"(ii) overpayments of tax made by the transferor of which the transferee or fiduciary is legally entitled to credit or refund,

the agreement referred to in subparagraph (A) and any extension thereof shall be deemed an agreement and extension thereof referred to in section 322 (b) (3).

"(C) If the agreement referred to in subparagraph (A) is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee or fiduciary arises, then, in applying the limitations under section 322 (b) (3) on the amount of the credit or refund, the periods specified in section 322 (b) (3) shall be increased by the period from the date of such expiration to the date of the agreement."

Effective date.

SEC. 2. This Act shall be effective in all circumstances in which it would have been effective if it had been enacted on August 17, 1954.

Approved January 28, 1956.

Public Law 398 — CHAPTER 17

January 28, 1956
[H. R. 7036]

AN ACT

To amend section 37 of the Internal Revenue Code of 1954 with respect to the earned income limitation on retirement income.

Retirement income-tax credit.
68A Stat. 15.
26 USC 37.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37 (d) (2) of the Internal Revenue Code of 1954 (relating to limitation on retirement income) is hereby amended to read as follows:

"(2) in the case of any individual who has not attained the age of 72 before the close of the taxable year, any amount of earned income (as defined in subsection (g))—

"(A) in excess of $900 received by the individual in the taxable year if such individual has not attained the age of 65 before the close of the taxable year, or

"(B) in excess of $1,200 received by the individual in the taxable year if such individual has attained the age of 65 before the close of the taxable year."

Effective date.

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to taxable years beginning after December 31, 1955.

Approved January 28, 1956.

Public Law 399 — CHAPTER 18

January 28, 1956
[H. R. 7282]

AN ACT

Relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains.

65 Stat. 470.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word "reduced" the following: "(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)".

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