"(B) for purposes of applying subsection (a)(2), the amount of such dividends bears to the amount of the accumulated profits (as defined in subsection (c)(1)(B)) of such third foreign corporation from which such dividends were paid.

"(3) For purposes of this subpart, subsection (b)(1) shall not apply unless the percentage of voting stock owned by the domestic corporation in the first foreign corporation and the percentage of voting stock owned by the first foreign corporation in the second foreign corporation when multiplied together equal at least 5 percent, and for purposes of this subpart, subsection (b)(2) shall not apply unless the percentage arrived at for purposes of applying subsection (b)(1) when multiplied by the percentage of voting stock owned by the second foreign corporation in the third foreign corporation is equal to at least 5 percent."

SEC. 2. Section 902(c)(1) of the Internal Revenue Code of 1954 is amended— 76 Stat. 1000. 26 USC 902.

(1) by striking out "subsections (a)(1) and (b)(1)," in subparagraph (A) and inserting in lieu thereof the following: "subsections (a)(1), (b)(1)(A), and (b)(2)(A),"; and

(2) by striking out "subsections (a)(2) and (b)(2)," in subparagraph (B) and inserting in lieu thereof the following: "subsections (a)(2), (b)(1)(B), and (b)(2)(B),".

SEC. 3. The amendments made by this Act shall apply with respect to all taxable years of domestic corporations, ending after the date of enactment of this Act, but only in respect of dividends paid by one corporation to another corporation after the date of the enactment of this Act.

Approved January 12, 1971.

Public Law 91-685

AN ACT

To amend the Tariff Act of 1930 to grant to the transferee of merchandise in bonded warehouse the right to administrative review of customs decisions.

January 12, 1971
[H. R. 19391]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 557(b) of the Tariff Act of 1930 (19 U.S.C. 1557(b)) is amended by striking out the fourth, fifth, and sixth sentences and inserting in lieu thereof the following: "The transferee shall also have the right to receive all lawful refunds of money paid by him to the United States with respect to the merchandise the subject of the transfer, and shall have the right to file a protest under section 514 of this Act to the same extent that such right would have been available to the transferor. Notice of liquidation shall be given to the transferee in the form and manner prescribed by the Secretary of the Treasury."

Merchandise transferee, protest right. 67 Stat. 519.

Ante, p. 284.

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered for warehousing on or after the date of the enactment of this Act.

Approved January 12, 1971.

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