

SEC. 3. The amendments made by the first two sections of this Act shall apply to all taxable years to which the Internal Revenue Code of 1954 applies. Corresponding provisions shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply to all taxable years to which such Code applies.

Approved January 12, 1971.

Public Law 91-680

AN ACT

January 12, 1971
[H. R. 19242]

To amend section 278 of the Internal Revenue Code of 1954 to extend its application from citrus groves to almond groves.

Taxes.
Almond groves,
capital expendi-
tures.
83 Stat. 574.
26 USC 278.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the text of section 278 of the Internal Revenue Code of 1954 (relating to capital expenditures incurred in planting and developing citrus groves) is amended by striking out "citrus grove" each place it appears and inserting in lieu thereof "citrus or almond grove".

(b) The heading for section 278 of such Code is amended to read as follows:

"SEC. 278. CAPITAL EXPENDITURES INCURRED IN PLANTING AND DEVELOPING CITRUS AND ALMOND GROVES."

(c) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 278 and inserting in lieu thereof the following:

"Sec. 278. Capital expenditures incurred in planting and developing citrus and almond groves."

(d) Subsection (b) (2) of such section 278 is amended to read as follows:

"(2) planted or replanted before—

"(A) December 30, 1969, in the case of a citrus grove, or

"(B) December 30, 1970, in the case of an almond grove."

Effective date.

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after the date of the enactment of this Act.

Airline
tickets, total
cost requirement.
Ante, p. 239.

SEC. 3. (a) Subsection (a) of section 7275 of the Internal Revenue Code of 1954 (relating to requirements of showing total cost on airline tickets) is amended by—

(1) inserting "and" at the end of paragraph (1) thereof,

(2) striking out paragraph (2) thereof, and

(3) renumbering paragraph (3) as paragraph (2) and striking out in such paragraph "paragraphs (1) and (2)" and inserting in lieu thereof "paragraph (1)".

(b) Subsection (b) of such section (relating to requirements of showing total cost on airline advertising) is amended by striking out the word "only" in paragraph (1) and by amending paragraph (2) to read as follows:

"(2) if any such advertising states separately the amount to be paid for such transportation or the amount of such taxes, shall state such total at least as prominently as the more prominently stated of the amount to be paid for such transportation or the amount of such taxes and shall describe such taxes substantially as: 'user taxes to pay for airport construction and airway safety and operations'."

SEC. 4. The amendments made by the third section of this Act shall apply to transportation beginning after June 30, 1970.

Effective date.

Approved January 12, 1971.

Public Law 91-681

AN ACT

To amend section 367 of the Internal Revenue Code of 1954.

January 12, 1971
[H. R. 19686]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 367 of the Internal Revenue Code of 1954 (relating to foreign corporations) is amended to read as follows:

Taxes.
Foreign
corporations.
68A Stat. 119.
26 USC 367.

"SEC. 367. FOREIGN CORPORATIONS.

"(a) GENERAL RULE.—In determining the extent to which gain shall be recognized in the case of any of the exchanges described in section 332, 351, 354, 355, 356, or 361, a foreign corporation shall not be considered as a corporation unless—

68A Stat. 102;
80 Stat. 1577.

"(1) before such exchange, or

"(2) in the case of an exchange described in subsection (b), either before or after such exchange, it has been established to the satisfaction of the Secretary or his delegate that such exchange is not in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes.

"(b) APPLICATION OF SUBSECTION (a) (2).—Subsection (a) (2) shall apply in the case of a mere change in form in which there is an exchange by a foreign corporation of—

"(1) stock in one foreign corporation for,

"(2) stock in another foreign corporation,

if the corporations referred to in paragraphs (1) and (2) differ only in their form of organization, and if the ownership of the corporation referred to in paragraph (1) immediately before such exchange is identical to the ownership of the corporation referred to in paragraph (2) immediately after such exchange.

"(c) SECTION 355 DISTRIBUTIONS TREATED AS EXCHANGES.—For purposes of this section, any distribution described in section 355 (or so much of section 356 as relates to section 355) shall be treated as an exchange whether or not it is an exchange.

"(d) CONTRIBUTIONS OF CAPITAL TO CONTROLLED CORPORATIONS.—For purposes of this chapter, any transfer of property to a foreign corporation as a contribution to the capital of such corporation by one or more persons who, immediately after the transfer, own (within the meaning of section 318) stock possessing at least 80 percent of the total combined voting power of all classes of stock of such corporation entitled to vote shall be treated as an exchange of such property for stock of the foreign corporation equal in value to the fair market value of the property transferred unless, before such transfer, it has been established to the satisfaction of the Secretary or his delegate that such transfer is not in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes."

68A Stat. 99;
78 Stat. 762.