

from such years, see section 475(a) of Pub. L. 98-369, set out as a note under section 21 of this title.

**EFFECTIVE DATE OF 1983 AMENDMENT**

Amendment by Pub. L. 97-424 applicable with respect to articles sold after Jan. 6, 1983, see section 515(c) of Pub. L. 97-424, set out as a note under section 34 of this title.

**EFFECTIVE DATE OF 1970 AMENDMENT**

Amendment by Pub. L. 91-258 effective July 1, 1970, see section 211(a) of Pub. L. 91-258, set out as a note under section 4041 of this title.

**EFFECTIVE DATE OF 1966 AMENDMENT**

Amendment by section 103(d) of Pub. L. 89-809 applicable with respect to taxable years beginning after Dec. 31, 1966, see section 103(n)(1) of Pub. L. 89-809, set out as a note under section 871 of this title.

Pub. L. 89-809, title I, §106(a)(6), Nov. 13, 1966, 80 Stat. 1569, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: "The amendments made by this subsection [enacting section 906 of this title and amending this section and section 901 of this title] shall apply with respect to taxable years beginning after Dec. 31, 1966. In applying section 904 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] with respect to section 906 of such Code, no amount may be carried from or to any taxable year beginning before Jan. 1, 1967, and no such year shall be taken into account."

**EFFECTIVE DATE OF 1965 AMENDMENT**

Amendment by Pub. L. 89-44 applicable to taxable years beginning on or after July 1, 1965, see section 809(f) of Pub. L. 89-44, set out as a note under section 6420 of this title.

**§ 875. Partnerships; beneficiaries of estates and trusts**

For purposes of this subtitle—

(1) a nonresident alien individual or foreign corporation shall be considered as being engaged in a trade or business within the United States if the partnership of which such individual or corporation is a member is so engaged, and

(2) a nonresident alien individual or foreign corporation which is a beneficiary of an estate or trust which is engaged in any trade or business within the United States shall be treated as being engaged in such trade or business within the United States.

(Aug. 16, 1954, ch. 736, 68A Stat. 281; Pub. L. 89-809, title I, §103(e)(1), Nov. 13, 1966, 80 Stat. 1551.)

**Editorial Notes**

**AMENDMENTS**

1966—Pub. L. 89-809 designated existing provisions as par. (1), substituted reference to nonresident alien individuals or foreign corporations for reference simply to nonresident alien individuals, and added par. (2).

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 1966 AMENDMENT**

Amendment by Pub. L. 89-809 applicable with respect to taxable years beginning after Dec. 31, 1966, see section 103(n)(1) of Pub. L. 89-809, set out as a note under section 871 of this title.

**§ 876. Alien residents of Puerto Rico, Guam, American Samoa, or the Northern Mariana Islands**

**(a) General rule**

This subpart shall not apply to any alien individual who is a bona fide resident of Puerto Rico, Guam, American Samoa, or the Northern Mariana Islands during the entire taxable year and such alien shall be subject to the tax imposed by section 1.

**(b) Cross references**

**For exclusion from gross income of income derived from sources within—**

- (1) **Guam, American Samoa, and the Northern Mariana Islands, see section 931, and**  
 (2) **Puerto Rico, see section 933.**

(Aug. 16, 1954, ch. 736, 68A Stat. 281; Pub. L. 99-514, title XII, §1272(b), Oct. 22, 1986, 100 Stat. 2593.)

**Editorial Notes**

**AMENDMENTS**

1986—Pub. L. 99-514, §1272(b), inserted “, Guam, American Samoa, or the Northern Mariana Islands” in section catchline.

Subsec. (a). Pub. L. 99-514, §1272(b), amended subsec. (a) generally, substituting “General rule” for “No application to certain alien residents of Puerto Rico” in heading and inserting references to residents of Guam, American Samoa, and the Northern Mariana Islands in text.

Subsec. (b). Pub. L. 99-514, §1272(b), amended subsec. (b) generally, inserting references to Guam, American Samoa, and the Northern Mariana Islands.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 1986 AMENDMENT**

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

**§ 877. Expatriation to avoid tax**

**(a) Treatment of expatriates**

**(1) In general**

Every nonresident alien individual to whom this section applies and who, within the 10-year period immediately preceding the close of the taxable year, lost United States citizenship shall be taxable for such taxable year in the manner provided in subsection (b) if the tax imposed pursuant to such subsection (after any reduction in such tax under the last sentence of such subsection) exceeds the tax which, without regard to this section, is imposed pursuant to section 871.

**(2) Individuals subject to this section**

This section shall apply to any individual if—

(A) the average annual net income tax (as defined in section 38(c)(1)) of such individual for the period of 5 taxable years ending before the date of the loss of United States citizenship is greater than \$124,000,

(B) the net worth of the individual as of such date is \$2,000,000 or more, or

(C) such individual fails to certify under penalty of perjury that he has met the re-