deductions for this purpose shall be determined as provided in regulations prescribed by the Secretary or his delegate.

(b) EXCEPTIONS.—The following deductions shall be allowed whether or not they are effectively connected with the conduct of a trade or business within the United States:

(1) LOSSES.—The deduction, for losses of property not connected with the trade or business if arising from certain casualties or theft, allowed by section 165(c)(3), but only if the loss is of property located within the United States.

(2) CHARITABLE CONTRIBUTIONS.—The deduction for charitable contributions and gifts allowed by section 170.

(3) PERSONAL EXEMPTION.—The deduction for personal exemptions allowed by section 151, except that in the case of a nonresident alien individual who is not a resident of a contiguous country only one exemption shall be allowed under section 151.

(c) CROSS REFERENCES.—

(1) For disallowance of standard deduction, see section 142(b)(1).

(2) For rule that certain foreign taxes are not to be taken into account in determining deduction or credit, see section 906(b)(1).

SEC. 874. ALLOWANCE OF DEDUCTIONS AND CREDITS.

(a) RETURN PREREQUISITE TO ALLOWANCE.—A nonresident alien individual shall receive the benefit of the deductions and credits allowed to him in this subtitle only by filing or causing to be filed *with the Secretary or his delegate* a true and accurate return [of his total income received from all sources in the United States], in the manner prescribed in subtitle F (sec. 6001 and following, relating to procedure and administration), including therein all the information which the Secretary or his delegate may deem necessary for the calculation of such deductions and credits. This subsection shall not be construed to deny the credits provided by sections 31 and 32 for tax withheld at [the] source or the credit provided by section 39 for certain uses of gasoline and lubricating oil.

(b) TAX WITHHELD AT SOURCE.—The benefit of the deduction for exemptions under section 151 may, in the discretion of the Secretary or his delegate, and under regulations prescribed by the Secretary or his delegate, be received by a nonresident alien individual entitled thereto, by filing a claim therefor with the withholding agent.

(c) [FOREIGN TAX CREDIT NOT ALLOWED.—A nonresident] *FOREIGN TAX CREDIT.—Except as provided in section 906, a nonresident* alien individual shall not be allowed the credits against the tax for taxes of foreign countries and possessions of the United States allowed by section 901.