~~savings bond, if such individual acquired such bond while a resident of the Ryukyu Islands or the Trust Territory of the Pacific Islands."~~

~~(c) Deductions.—~~

~~(1) Section 873 (relating to deductions allowed to nonresident alien individuals) is amended to read as follows:~~

~~"SEC. 873. DEDUCTIONS.~~

~~"(a) General Rule.—In the case of a nonresident alien individual, the deductions shall be allowed only for purposes of section 871 (b) and (except as provided by subsection (b)) only if and to the extent that they are connected with income which is effectively connected with the conduct of a trade or business within the United States; and the proper apportionment and allocation of the 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 connected with income which is 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~~