

1 and possessions of the United States allowed by section
2 901.

3 ~~“(4) CROSS REFERENCE.—~~

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

4 ~~“(d) ELECTION TO TREAT REAL PROPERTY INCOME~~
5 ~~AS INCOME CONNECTED WITH UNITED STATES BUSI-~~
6 ~~NESS.—~~

7 ~~“(1) IN GENERAL.—~~A foreign corporation which
8 during the taxable year derives any income—

9 ~~“(A) from real property located in the United~~
10 ~~States; or from any interest in such real property;~~
11 ~~including (i) gains from the sale or exchange of~~
12 ~~real property or an interest therein; (ii) rents or~~
13 ~~royalties from mines, wells, or other natural de-~~
14 ~~posits; and (iii) gains described in section 631 (b)-~~
15 ~~or (c); and~~

16 ~~“(B) which, but for this subsection, would not~~
17 ~~be treated as income effectively connected with the~~
18 ~~conduct of a trade or business within the United~~
19 ~~States;~~

20 may elect for such taxable year to treat all such income
21 as income which is effectively connected with the con-
22 duct of a trade or business within the United States. In