

1 is amended by adding at the end thereof the following
 2 new subpart:

3 **"Subpart H—Income of Certain Nonresident United States**
 4 **Citizens Subject to Foreign Community Property Laws**

"See 981. Elections as to treatment of income subject to
 foreign community property laws.

5 **"SEC. 981. ELECTION AS TO TREATMENT OF INCOME SUB-**
 6 **JECT TO FOREIGN COMMUNITY PROPERTY**
 7 **LAWS.**

8 **"(a) GENERAL RULE.**—In the case of any taxable year
 9 beginning after December 31, 1966, if—

10 **"(1)** an individual is ~~(A)~~ a citizen of the United
 11 States, ~~(B)~~ a bona fide resident of a foreign country
 12 or countries during the entire taxable year, and ~~(C)~~
 13 married at the close of the taxable year to a spouse who is
 14 a nonresident alien during the entire taxable year, and

15 **"(2)** such individual and his spouse elect to have
 16 subsection ~~(b)~~ apply to their community income under
 17 foreign community property laws;

18 then subsection ~~(b)~~ shall apply to such income of such indi-
 19 vidual and such spouse for the taxable year and for all sub-
 20 sequent taxable years for which the requirements of para-