

1 subsection (b) apply to their community income under
 2 foreign community property laws,
 3 then subsection (b) shall apply to such income of such indi-
 4 vidual and such spouse for the taxable year and for all sub-
 5 sequent taxable years for which the requirements of para-
 6 graph (1) are met, unless the Secretary or his delegate
 7 consents to a termination of the election.

8 “(b) *TREATMENT OF COMMUNITY INCOME.*—For any
 9 taxable year to which an election made under subsection (a)
 10 applies, the community income under foreign community
 11 property laws of the husband and wife making the election
 12 shall be treated as follows:

13 “(1) *Earned income* (within the meaning of the
 14 first sentence of section 911(b)), other than trade or
 15 business income and a partner’s distributive share of
 16 partnership income, shall be treated as the income of the
 17 spouse who rendered the personal services.

18 “(2) *Trade or business income*, and a partner’s
 19 distributive share of partnership income, shall be treated
 20 as provided in section 1402(a)(5).

21 “(3) *Community income not described in para-*
 22 *graph (1) or (2) which is derived from the separate*
 23 *property (as determined under the applicable foreign*
 24 *community property law) of one spouse shall be treated*
 25 *as the income of such spouse.*