

### Internal Revenue Code Section 703

#### Partnership computations

(a) Income and deductions.

The taxable income of a partnership shall be computed in the same manner as in the case of an individual except that-

- (1) the items described in section 702(a) shall be separately stated, and
- (2) the following deductions shall not be allowed to the partnership:
  - (A) the deductions for personal exemptions provided in section 151 ,
  - (B) the deduction for taxes provided in section 164(a) with respect to taxes, described in section 901 , paid or accrued to foreign countries and to possessions of the United States,
  - (C) the deduction for charitable contributions provided in section 170 ,
  - (D) the net operating loss deduction provided in section 172 ,
  - (E) the additional itemized deductions for individuals provided in part VII of subchapter B ( sec. 211 and following), and
  - (F) the deduction for depletion under section 611 with respect to oil and gas wells.

(b) Elections of the partnership.

Any election affecting the computation of taxable income derived from a partnership shall be made by the partnership, except that any election under-

- (1) subsection (b)(5) or (c)(3) of section 108 (relating to income from discharge of indebtedness),
- (2) section 617 (relating to deduction and recapture of certain mining exploration expenditures), or
- (3) section 901 (relating to taxes of foreign countries and possessions of the United States),

shall be made by each partner separately.