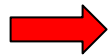


## Internal Revenue Code Section 166(a)(1)

Bad debts.

(a) General rule.



- (1) Wholly worthless debts. There shall be allowed as a deduction any debt which becomes worthless within the taxable year.
- (2) Partially worthless debts. When satisfied that a debt is recoverable only in part, the Secretary may allow such debt, in an amount not in excess of the part charged off within the taxable year, as a deduction.