

1. [IRC](#)
2. [Subtitle A](#)
3. [Chapter 1](#)
4. [Subchapter A](#)
5. [Part I](#)
6. § 1

Sec. 1. Tax Imposed

I.R.C. § 1(a) Married Individuals Filing Joint Returns And Surviving Spouses —

There is hereby imposed on the taxable income of—

I.R.C. § 1(a)(1) —

every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

I.R.C. § 1(a)(2) —

every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$36,900	15% of taxable income.
Over \$36,900 but not over \$89,150	\$5,535, plus 28% of the excess over \$36,900.
Over \$89,150 but not over \$140,000	\$20,165, plus 31% of the excess over \$89,150.
Over \$140,000 but not over \$250,000	\$35,928.50, plus 36% of the excess over \$140,000.
Over \$250,000.	\$75,528.50, plus 39.6% of the excess over \$250,000.

I.R.C. § 1(b) Heads Of Households —

There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$29,600	15% of taxable income.
Over \$29,600 but not over \$76,400	\$4,440, plus 28% of the excess over \$29,600.
Over \$76,400 but not over \$127,500	\$17,544, plus 31% of the excess over \$76,400.
Over \$127,500 but not over \$250,000	\$33,385, plus 36% of the excess over \$127,500.
Over \$250,000	\$77,485, plus 39.6% of the excess over \$250,000.

I.R.C. § 1(c) Unmarried Individuals (Other Than Surviving Spouses And Heads Of Households) —

There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$22,100.	15% of taxable income.
Over \$22,100 but not over \$53,500.	\$3,315, plus 28% of the excess over \$22,100.
Over \$53,500 but not over \$115,000.	\$12,107, plus 31% of the excess over \$53,500.
Over \$115,000 but not over \$250,000.	\$31,172, plus 36% of the excess over \$115,000.
Over \$250,000.	\$79,772, plus 39.6% of the excess over \$250,000.

I.R.C. § 1(d) Married Individuals Filing Separate Returns —

There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$18,450	15% of taxable income.
Over \$18,450 but not over \$44,575.	\$2,767.50, plus 28% of the excess over \$18,450.
Over \$44,575 but not over \$70,000.	\$10,082.50, plus 31% of the excess over \$44,575.
Over \$70,000 but not over \$125,000	\$17,964.25, plus 36% of the excess over \$70,000.
Over \$125,000	\$37,764.25, plus 39.6% of the excess over \$125,000.

I.R.C. § 1(e) Estates And Trusts —

There is hereby imposed on the taxable income of—

I.R.C. § 1(e)(1) —

every estate, and

I.R.C. § 1(e)(2) —

every trust, taxable under this subsection a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$1,500	15% of taxable income.
Over \$1,500 but not over \$3,500	\$225, plus 28% of the excess over \$1,500.
Over \$3,500 but not over \$5,500	\$785, plus 31% of the excess over \$3,500.
Over \$5,500 but not over \$7,500	\$1,405, plus 36% of the excess over \$5,500.
Over \$7,500	\$2,125, plus 39.6% of the excess over \$7,500.

I.R.C. § 1(f) Phaseout Of Marriage Penalty In 15-Percent Bracket; Adjustments In Tax Tables So That Inflation Will Not Result In Tax Increases

I.R.C. § 1(f)(1) In General —

Not later than December 15 of 1993, and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

I.R.C. § 1(f)(2) Method Of Prescribing Tables —

The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

I.R.C. § 1(f)(2)(A) —

except as provided in paragraph (8), by increasing the minimum and maximum dollar amounts for each bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year, determined—

I.R.C. § 1(f)(2)(A)(i) —

except as provided in clause (ii), by substituting “1992” for “2016” in paragraph (3)(A)(ii), and

I.R.C. § 1(f)(2)(A)(ii) —

in the case of adjustments to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate bracket begins, by substituting “1993” for “2016” in paragraph (3)(A)(ii),

I.R.C. § 1(f)(2)(B) —

by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A), and

I.R.C. § 1(f)(2)(C) —

by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

I.R.C. § 1(f)(3) Cost-Of-Living Adjustment —

For purposes of this subsection—

I.R.C. § 1(f)(3)(A) In General —

The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

I.R.C. § 1(f)(3)(A)(i) —

the C-CPI-U for the preceding calendar year, exceeds

I.R.C. § 1(f)(3)(A)(ii) —

the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).

I.R.C. § 1(f)(3)(B) Amount Determined —

The amount determined under this clause is the amount obtained by dividing—

I.R.C. § 1(f)(3)(B)(i) —

the C-CPI-U for calendar year 2016, by

I.R.C. § 1(f)(3)(B)(ii) —

the CPI for calendar year 2016.

I.R.C. § 1(f)(3)(C) Special Rule For Adjustments With A Base Year After 2016 —

For purposes of any provision of this title which provides for the substitution of a year after 2016 for “2016” in subparagraph (A)(ii), subparagraph (A) shall be applied by substituting “the C-CPI-U for calendar year 2016” for “the CPI for calendar year 2016” and all that follows in clause (ii) thereof.

I.R.C. § 1(f)(4) CPI For Any Calendar Year —

For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on August 31 of such calendar year.

I.R.C. § 1(f)(5) Consumer Price Index —

For purposes of paragraph (4), the term “Consumer Price Index” means the last Consumer Price Index for all-urban consumers published by the Department of Labor. For purposes of the preceding sentence, the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1986 shall be used.

I.R.C. § 1(f)(6) C-CPI-U —

For purposes of this subsection—

I.R.C. § 1(f)(6)(A) In General —

The term “C-CPI-U” means the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor). The values of the Chained Consumer Price Index for All Urban Consumers taken into account for purposes of determining the cost-of-living adjustment for any calendar year under this subsection shall be the latest values so published as of the date on which such Bureau publishes the initial value of the Chained Consumer Price Index for All Urban Consumers for the month of August for the preceding calendar year.

I.R.C. § 1(f)(6)(B) Determination For Calendar Year —

The C-CPI-U for any calendar year is the average of the C-CPI-U as of the close of the 12-month period ending on August 31 of such calendar year.

I.R.C. § 1(f)(7) Rounding

I.R.C. § 1(f)(7)(A) In General —

If any increase determined under paragraph (2)(A), section 63(c)(4), section 68(b)(2) or section 151(d)(4) is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.

I.R.C. § 1(f)(7)(B) Table For Married Individuals Filing Separately —

In the case of a married individual filing a separate return, subparagraph (A) (other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied by substituting “\$25” for “\$50” each place it appears.

I.R.C. § 1(f)(8) Elimination Of Marriage Penalty In 15-Percent Bracket —

With respect to taxable years beginning after December 31, 2003, in prescribing the tables under paragraph (1)—

I.R.C. § 1(f)(8)(A) —

the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be 200 percent of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

I.R.C. § 1(f)(8)(B) —

the comparable taxable income amounts in the table contained in subsection (d) shall be 1/2 of the amounts determined under subparagraph (A).

I.R.C. § 1(g) Certain Unearned Income Of Children Taxed As If Parent's Income

I.R.C. § 1(g)(1) In General —

In the case of any child to whom this subsection applies, the tax imposed by this section shall be equal to the greater of—

I.R.C. § 1(g)(1)(A) —

the tax imposed by this section without regard to this subsection, or

I.R.C. § 1(g)(1)(B) —

the sum of—

I.R.C. § 1(g)(1)(B)(i) —

the tax which would be imposed by this section if the taxable income of such child for the taxable year were reduced by the net unearned income of such child, plus

I.R.C. § 1(g)(1)(B)(ii) —

such child's share of the allocable parental tax.

I.R.C. § 1(g)(2) Child To Whom Subsection Applies —

This subsection shall apply to any child for any taxable year if—

I.R.C. § 1(g)(2)(A) —

such child

I.R.C. § 1(g)(2)(A)(i) —

has not attained age 18 before the close of the taxable year, or

I.R.C. § 1(g)(2)(A)(ii)

I.R.C. § 1(g)(2)(A)(ii)(I) —

has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

I.R.C. § 1(g)(2)(A)(ii)(II) —

whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof)) for such taxable year,

I.R.C. § 1(g)(2)(B) —

either parent of such child is alive at the close of the taxable year, and

I.R.C. § 1(g)(2)(C) —

such child does not file a joint return for the taxable year.

I.R.C. § 1(g)(3) Allocable Parental Tax —

For purposes of this subsection—

I.R.C. § 1(g)(3)(A) In General —

The term “allocable parental tax” means the excess of—

I.R.C. § 1(g)(3)(A)(i) —

the tax which would be imposed by this section on the parent's taxable income if such income included the net unearned income of all children of the parent to whom this subsection applies, over

I.R.C. § 1(g)(3)(A)(ii) —

the tax imposed by this section on the parent without regard to this subsection.

For purposes of clause (i), net unearned income of all children of the parent shall not be taken into account in computing any exclusion, deduction, or credit of the parent.

I.R.C. § 1(g)(3)(B) Child's Share —

A child's share of any allocable parental tax of a parent shall be equal to an amount which bears the same ratio to the total allocable parental tax as the child's net unearned income bears to the aggregate net unearned income of all children of such parent to whom this subsection applies.

I.R.C. § 1(g)(3)(C) Special Rule Where Parent Has Different Taxable Year —

Except as provided in regulations, if the parent does not have the same taxable year as the child, the allocable parental tax shall be determined on the basis of the taxable year of the parent ending in the child's taxable year.

I.R.C. § 1(g)(4) Net Unearned Income —

For purposes of this subsection—

I.R.C. § 1(g)(4)(A) In General —

The term “net unearned income” means the excess of—

I.R.C. § 1(g)(4)(A)(i) —

the portion of the adjusted gross income for the taxable year which is not attributable to earned income (as defined in section 911(d)(2)), over

I.R.C. § 1(g)(4)(A)(ii) —

the sum of—

I.R.C. § 1(g)(4)(A)(ii)(I) —

the amount in effect for the taxable year under section 63(c)(5)(A) (relating to limitation on standard deduction in the case of certain dependents), plus

I.R.C. § 1(g)(4)(A)(ii)(II) —

the greater of the amount described in subclause (I) or, if the child itemizes his deductions for the taxable year, the amount of the itemized deductions allowed by this chapter for the taxable year which are directly connected with the production of the portion of adjusted gross income referred to in clause (i).

I.R.C. § 1(g)(4)(B) Limitation Based On Taxable Income —

The amount of the net unearned income for any taxable year shall not exceed the individual's taxable income for such taxable year.

I.R.C. § 1(g)(4)(C) Treatment Of Distributions From Qualified Disability Trusts —

For purposes of this subsection, in the case of any child who is a beneficiary of a qualified disability trust (as defined in section 642(b)(2)(C)(ii)), any amount included in the income of such child under sections 652 and 662 during a taxable year shall be considered earned income of such child for such taxable year.

I.R.C. § 1(g)(5) Special Rules For Determining Parent To Whom Subsection Applies —

For purposes of this subsection, the parent whose taxable income shall be taken into account shall be—

I.R.C. § 1(g)(5)(A) —

in the case of parents who are not married (within the meaning of section 7703), the custodial parent (within the meaning of section 152(e)) of the child, and

I.R.C. § 1(g)(5)(B) —

in the case of married individuals filing separately, the individual with the greater taxable income.

I.R.C. § 1(g)(6) Providing Of Parent's TIN —

The parent of any child to whom this subsection applies for any taxable year shall provide the TIN of such parent to such child and such child shall include such TIN on the child's return of tax imposed by this section for such taxable year.

I.R.C. § 1(g)(7) Election To Claim Certain Unearned Income Of Child On Parent's Return

I.R.C. § 1(g)(7)(A) In General —

If—

I.R.C. § 1(g)(7)(A)(i) —

any child to whom this subsection applies has gross income for the taxable year only from interest and dividends (including Alaska Permanent Fund dividends),

I.R.C. § 1(g)(7)(A)(ii) —

such gross income is more than the amount described in paragraph (4)(A)(ii)(I) and less than 10 times the amount so described,

I.R.C. § 1(g)(7)(A)(iii) —

no estimated tax payments for such year are made in the name and TIN of such child, and no amount has been deducted and withheld under section 3406, and

I.R.C. § 1(g)(7)(A)(iv) —

the parent of such child (as determined under paragraph (5)) elects the application of subparagraph (B), such child shall be treated (other than for purposes of this paragraph) as having no gross income for such year and shall not be required to file a return under section 6012.

I.R.C. § 1(g)(7)(B) Income Included On Parent's Return —

In the case of a parent making the election under this paragraph—

I.R.C. § 1(g)(7)(B)(i) —

the gross income of each child to whom such election applies (to the extent the gross income of such child exceeds twice the amount described in paragraph (4)(A)(ii)(I)) shall be included in such parent's gross

income for the taxable year,

I.R.C. § 1(g)(7)(B)(ii) —

the tax imposed by this section for such year with respect to such parent shall be the amount equal to the sum of—

I.R.C. § 1(g)(7)(B)(ii)(I) —

the amount determined under this section after the application of clause (i), plus

I.R.C. § 1(g)(7)(B)(ii)(II) —

for each such child, 10 percent of the lesser of the amount described in paragraph (4)(A)(ii)(I) or the excess of the gross income of such child over the amount so described, and

I.R.C. § 1(g)(7)(B)(iii) —

any interest which is an item of tax preference under section 57(a)(5) of the child shall be treated as an item of tax preference of such parent (and not of such child).

I.R.C. § 1(g)(7)(C) Regulations —

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph.

I.R.C. § 1(h) Maximum Capital Gains Rate

I.R.C. § 1(h)(1) In General —

If a taxpayer has a net capital gain for any taxable year, the tax imposed by this section for such taxable year shall not exceed the sum of—

I.R.C. § 1(h)(1)(A) —

a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

I.R.C. § 1(h)(1)(A)(i) —

taxable income reduced by the net capital gain; or

I.R.C. § 1(h)(1)(A)(ii) —

the lesser of—

I.R.C. § 1(h)(1)(A)(ii)(I) —

the amount of taxable income taxed at a rate below 25 percent; or

I.R.C. § 1(h)(1)(A)(ii)(II) —

taxable income reduced by the adjusted net capital gain;

I.R.C. § 1(h)(1)(B) —

0 percent of so much of the adjusted net capital gain (or, if less, taxable income) as does not exceed the excess (if any) of—

I.R.C. § 1(h)(1)(B)(i) —

the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 25 percent, over

I.R.C. § 1(h)(1)(B)(ii) —

the taxable income reduced by the adjusted net capital gain;

I.R.C. § 1(h)(1)(C) —

15 percent of the lesser of—

I.R.C. § 1(h)(1)(C)(i) —

so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

I.R.C. § 1(h)(1)(C)(ii) —

the excess of—

I.R.C. § 1(h)(1)(C)(ii)(I) —

the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 39.6 percent, over

I.R.C. § 1(h)(1)(C)(ii)(II) —

the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

I.R.C. § 1(h)(1)(D) —

20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C),

I.R.C. § 1(h)(1)(E) —

25 percent of the excess (if any) of—

I.R.C. § 1(h)(1)(E)(i) —

the unrecaptured section 1250 gain (or, if less, the net capital gain (determined without regard to paragraph (11))), over

I.R.C. § 1(h)(1)(E)(ii) —

the excess (if any) of—

I.R.C. § 1(h)(1)(E)(ii)(I) —

the sum of the amount on which tax is determined under subparagraph (A) plus the net capital gain, over

I.R.C. § 1(h)(1)(E)(ii)(II) —

taxable income; and

I.R.C. § 1(h)(1)(F) —

28 percent of the amount of taxable income in excess of the sum of the amounts on which tax is determined under the preceding subparagraphs of this paragraph.

I.R.C. § 1(h)(2) Net Capital Gain Taken Into Account As Investment Income —

For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B) (iii).

I.R.C. § 1(h)(3) Adjusted Net Capital Gain —

For purposes of this subsection, the term “adjusted net capital gain” means the sum of—

I.R.C. § 1(h)(3)(A) —

net capital gain (determined without regard to paragraph (11)) reduced (but not below zero) by the sum of—

I.R.C. § 1(h)(3)(A)(i) —

unrecaptured section 1250 gain, and

I.R.C. § 1(h)(3)(A)(ii) —

28-percent rate gain, plus

I.R.C. § 1(h)(3)(B) —

qualified dividend income (as defined in paragraph (11)).

I.R.C. § 1(h)(4) 28-Percent Rate Gain —

For purposes of this subsection, the term “28-percent rate gain” means the excess (if any) of—

I.R.C. § 1(h)(4)(A) —

the sum of—

I.R.C. § 1(h)(4)(A)(i) —

collectibles gain; and

I.R.C. § 1(h)(4)(A)(ii) —

section 1202 gain, over

I.R.C. § 1(h)(4)(B) —

the sum of—

I.R.C. § 1(h)(4)(B)(i) —

collectibles loss;

I.R.C. § 1(h)(4)(B)(ii) —

the net short-term capital loss; and

I.R.C. § 1(h)(4)(B)(iii) —

the amount of long-term capital loss carried under section 1212(b)(1)(B) to the taxable year.

I.R.C. § 1(h)(5) Collectibles Gain And Loss —

For purposes of this subsection—

I.R.C. § 1(h)(5)(A) In General —

The terms “collectibles gain” and “collectibles loss” mean gain or loss (respectively) from the sale or exchange of a collectible (as defined in section 408(m) without regard to paragraph (3) thereof) which is a capital asset held for more than 1 year but only to the extent such gain is taken into account in computing gross income and such loss is taken into account in computing taxable income.

I.R.C. § 1(h)(5)(B) Partnerships, Etc. —

For purposes of subparagraph (A), any gain from the sale of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751 shall apply for purposes of the preceding sentence.

I.R.C. § 1(h)(6) Unrecaptured Section 1250 Gain —

For purposes of this subsection—

I.R.C. § 1(h)(6)(A) In General —

The term “unrecaptured section 1250 gain” means the excess (if any) of—

I.R.C. § 1(h)(6)(A)(i) —

the amount of long-term capital gain (not otherwise treated as ordinary income) which would be treated as ordinary income if section 1250(b)(1) included all depreciation and the applicable percentage under section

1250(a) were 100 percent, over

I.R.C. § 1(h)(6)(A)(ii) —

the excess (if any) of—

I.R.C. § 1(h)(6)(A)(ii)(I) —

the amount described in paragraph (4)(B); over

I.R.C. § 1(h)(6)(A)(ii)(II) —

the amount described in paragraph (4)(A).

I.R.C. § 1(h)(6)(B) Limitation With Respect To Section 1231 Property —

The amount described in subparagraph (A)(i) from sales, exchanges, and conversions described in section 1231(a)(3)(A) for any taxable year shall not exceed the net section 1231 gain (as defined in section 1231(c)(3)) for such year.

I.R.C. § 1(h)(7) Section 1202 Gain —

For purposes of this subsection, the term “section 1202 gain” means the excess of—

I.R.C. § 1(h)(7)(A) —

the gain which would be excluded from gross income under section 1202 but for the percentage limitation in section 1202(a), over

I.R.C. § 1(h)(7)(B) —

the gain excluded from gross income under section 1202.

I.R.C. § 1(h)(8) Coordination With Recapture Of Net Ordinary Losses Under Section 1231 —

If any amount is treated as ordinary income under section 1231(c), such amount shall be allocated among the separate categories of net section 1231 gain (as defined in section 1231(c)(3)) in such manner as the Secretary may by forms or regulations prescribe.

I.R.C. § 1(h)(9) Regulations —

The Secretary may prescribe such regulations as are appropriate (including regulations requiring reporting) to apply this subsection in the case of sales and exchanges by pass-thru entities and of interests in such entities.

I.R.C. § 1(h)(10) Pass-Thru Entity Defined —

For purposes of this subsection, the term “pass-thru entity” means—

I.R.C. § 1(h)(10)(A) —

a regulated investment company;

I.R.C. § 1(h)(10)(B) —

a real estate investment trust;

I.R.C. § 1(h)(10)(C) —

an S corporation;

I.R.C. § 1(h)(10)(D) —

a partnership;

I.R.C. § 1(h)(10)(E) —

an estate or trust;

I.R.C. § 1(h)(10)(F) —

a common trust fund; and

I.R.C. § 1(h)(10)(G) —

a qualified electing fund (as defined in section 1295).

I.R.C. § 1(h)(11) Dividends Taxed As Net Capital Gain

I.R.C. § 1(h)(11)(A) In General —

For purposes of this subsection, the term “net capital gain” means net capital gain (determined without regard to this paragraph) increased by qualified dividend income.

I.R.C. § 1(h)(11)(B) Qualified Dividend Income —

For purposes of this paragraph—

I.R.C. § 1(h)(11)(B)(i) In General —

The term “qualified dividend income” means dividends received during the taxable year from—

I.R.C. § 1(h)(11)(B)(i)(I) —

domestic corporations, and

I.R.C. § 1(h)(11)(B)(i)(II) —

qualified foreign corporations.

I.R.C. § 1(h)(11)(B)(ii) Certain Dividends Excluded —

Such term shall not include—

I.R.C. § 1(h)(11)(B)(ii)(I) —

any dividend from a corporation which for the taxable year of the corporation in which the distribution is made, or the preceding taxable year, is a corporation exempt from tax under section 501 or 521,

I.R.C. § 1(h)(11)(B)(ii)(II) —

any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.), and

I.R.C. § 1(h)(11)(B)(ii)(III) —

any dividend described in section 404(k).

I.R.C. § 1(h)(11)(B)(iii) Coordination With Section 246(c) —

Such term shall not include any dividend on any share of stock—

I.R.C. § 1(h)(11)(B)(iii)(I) —

with respect to which the holding period requirements of section 246(c) are not met (determined by substituting in section 246(c) “60 days” for “45 days” each place it appears and by substituting “121-day period” for “91-day period”), or

I.R.C. § 1(h)(11)(B)(iii)(II) —

to the extent that the taxpayer is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property.

I.R.C. § 1(h)(11)(C) Qualified Foreign Corporations

I.R.C. § 1(h)(11)(C)(i) In General —

Except as otherwise provided in this paragraph, the term “qualified foreign corporation” means any foreign corporation if—

I.R.C. § 1(h)(11)(C)(i)(I) —

such corporation is incorporated in a possession of the United States, or

I.R.C. § 1(h)(11)(C)(i)(II) —

such corporation is eligible for benefits of a comprehensive income tax treaty with the United States which the Secretary determines is satisfactory for purposes of this paragraph and which includes an exchange of information program.

I.R.C. § 1(h)(11)(C)(ii) Dividends On Stock Readily Tradable On United States Securities Market —

A foreign corporation not otherwise treated as a qualified foreign corporation under clause (i) shall be so treated with respect to any dividend paid by such corporation if the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States.

I.R.C. § 1(h)(11)(C)(iii) Exclusion Of Dividends Of Certain Foreign Corporations —

Such term shall not include—

I.R.C. § 1(h)(11)(C)(iii)(I) —

any foreign corporation which for the taxable year of the corporation in which the dividend was paid, or the preceding taxable year, is a passive foreign investment company (as defined in section 1297), and

I.R.C. § 1(h)(11)(C)(iii)(II) —

any corporation which first becomes a surrogate foreign corporation (as defined in section 7874(a)(2)(B)) after the date of the enactment of this subclause, other than a foreign corporation which is treated as a domestic corporation under section 7874(b).

I.R.C. § 1(h)(11)(C)(iv) Coordination With Foreign Tax Credit Limitation —

Rules similar to the rules of section 904(b)(2)(B) shall apply with respect to the dividend rate differential under this paragraph.

I.R.C. § 1(h)(11)(D) Special Rules

I.R.C. § 1(h)(11)(D)(i) Amounts Taken Into Account As Investment Income —

Qualified dividend income shall not include any amount which the taxpayer takes into account as investment income under section 163(d)(4)(B).

I.R.C. § 1(h)(11)(D)(ii) Extraordinary Dividends —

If a taxpayer to whom this section applies receives, with respect to any share of stock, qualified dividend income from 1 or more dividends which are extraordinary dividends (within the meaning of section 1059(c)), any loss on the sale or exchange of such share shall, to the extent of such dividends, be treated as long-term capital loss.

I.R.C. § 1(h)(11)(D)(iii) Treatment Of Dividends From Regulated Investment Companies And Real Estate Investment Trusts —

A dividend received from a regulated investment company or a real estate investment trust shall be subject to the limitations prescribed in sections 854 and 857.

I.R.C. § 1(i) Rate Reductions After 2000

I.R.C. § 1(i)(1) 10-Percent Rate Bracket

I.R.C. § 1(i)(1)(A) In General —

In the case of taxable years beginning after December 31, 2000—

I.R.C. § 1(i)(1)(A)(i) —

the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent, and

I.R.C. § 1(i)(1)(A)(ii) —

the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount but not over the maximum dollar amount for the 15-percent rate bracket.

I.R.C. § 1(i)(1)(B) Initial Bracket Amount —

For purposes of this paragraph, the initial bracket amount is—

I.R.C. § 1(i)(1)(B)(i) —

\$14,000 in the case of subsection (a),

I.R.C. § 1(i)(1)(B)(ii) —

\$10,000 in the case of subsection (b), and

I.R.C. § 1(i)(1)(B)(iii) —

1/2 the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsections (c) and (d).

I.R.C. § 1(i)(1)(C) Inflation Adjustment —

In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2003—

I.R.C. § 1(i)(1)(C)(i) —

the cost-of-living adjustment shall be determined under subsection (f)(3) by substituting “2002” for “2016” in subparagraph (A)(ii) thereof, and

I.R.C. § 1(i)(1)(C)(ii) —

the adjustments under clause (i) shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.

I.R.C. § 1(i)(2) 25-, 28-, And 33-Percent Rate Brackets —

The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

I.R.C. § 1(i)(2)(A) —

by substituting “25%” for “28%” each place it appears (before the application of subparagraph (B)),

I.R.C. § 1(i)(2)(B) —

by substituting “28%” for “31%” each place it appears, and

I.R.C. § 1(i)(2)(C) —

by substituting “33%” for “36%” each place it appears.

I.R.C. § 1(i)(3) Modifications To Income Tax Brackets For High-Income Taxpayers

I.R.C. § 1(i)(3)(A) 35-Percent Rate Bracket —

In the case of taxable years beginning after December 31, 2012—

I.R.C. § 1(i)(3)(A)(i) —

the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer's taxable income in the highest rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—

I.R.C. § 1(i)(3)(A)(i)(I) —

the applicable threshold, over

I.R.C. § 1(i)(3)(A)(i)(II) —

the dollar amount at which such bracket begins, and

I.R.C. § 1(i)(3)(A)(ii) —

the 39.6 percent rate of tax under such subsections shall apply only to the taxpayer's taxable income in such bracket in excess of the amount to which clause (i) applies.

I.R.C. § 1(i)(3)(B) Applicable Threshold —

For purposes of this paragraph, the term “applicable threshold” means—

I.R.C. § 1(i)(3)(B)(i) —

\$450,000 in the case of subsection (a),

I.R.C. § 1(i)(3)(B)(ii) —

\$425,000 in the case of subsection (b),

I.R.C. § 1(i)(3)(B)(iii) —

\$400,000 in the case of subsection (c), and

I.R.C. § 1(i)(3)(B)(iv) —

1/2 the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsection (d).

I.R.C. § 1(i)(3)(C) Inflation Adjustment —

For purposes of this paragraph, with respect to taxable years beginning in calendar years after 2013, each of the dollar amounts under clauses (i), (ii), and (iii) of subparagraph (B) shall be adjusted in the same manner as under paragraph (1)(C)(i), except that subsection (f)(3)(A)(ii) shall be applied by substituting “2012” for “2016”.

I.R.C. § 1(i)(4) Adjustment Of Tables —

The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.

I.R.C. § 1(j) Modifications For Taxable Years 2018 Through 2025

I.R.C. § 1(j)(1) In General —

In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026—

I.R.C. § 1(j)(1)(A) —

subsection (i) shall not apply, and

I.R.C. § 1(j)(1)(B) —

this section (other than subsection (i)) shall be applied as provided in paragraphs (2) through (6).

I.R.C. § 1(j)(2) Rate Tables

I.R.C. § 1(j)(2)(A) Married Individuals Filing Joint Returns And Surviving Spouses —

The following table shall be applied in lieu of the table contained in subsection (a):

If taxable income is:	The tax is:
Not over \$19,050	10% of taxable income.
Over \$19,050 but not over \$77,400	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$600,000	\$91,379, plus 35% of the excess over \$400,000.
Over \$600,000	\$161,379, plus 37% of the excess over \$600,000.

I.R.C. § 1(j)(2)(B) Heads Of Households —

The following table shall be applied in lieu of the table contained in subsection (b):

If taxable income is:	The tax is:
Not over \$13,600	10% of taxable income.
Over \$13,600 but not over \$51,800	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500	\$5,944, plus 22% of the excess over \$51,800.
Over \$82,500 but not over \$157,500	\$12,698, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$30,698, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000	\$44,298, plus 35% of the excess over \$200,000.
Over \$500,000	\$149,298, plus 37% of the excess over \$500,000.

I.R.C. § 1(j)(2)(C) Unmarried Individuals Other Than Surviving Spouses And Heads Of Households —

The following table shall be applied in lieu of the table contained in subsection (c):

If taxable income is:	The tax is:
Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$500,000	\$150,689.50, plus 37% of the excess over \$500,000.

I.R.C. § 1(j)(2)(D) Married Individuals Filing Separate Returns —

The following table shall be applied in lieu of the table contained in subsection (d):

If taxable income is:	The tax is:
Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.

Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$300,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$300,000	\$80,689.50, plus 37% of the excess over \$300,000.

I.R.C. § 1(j)(2)(E) Estates And Trusts —

The following table shall be applied in lieu of the table contained in subsection (e):

If taxable income is:	The tax is:
Not over \$2,550	10% of taxable income.
Over \$2,550 but not over \$9,150	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,500	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,500	\$3,011.50, plus 37% of the excess over \$12,500.

I.R.C. § 1(j)(2)(F) References To Rate Tables —

Any reference in this title to a rate of tax under subsection (c) shall be treated as a reference to the corresponding rate bracket under subparagraph (C) of this paragraph, except that the reference in section 3402(q)(1) to the third lowest rate of tax applicable under subsection (c) shall be treated as a reference to the fourth lowest rate of tax under subparagraph (C).

I.R.C. § 1(j)(3) Adjustments

I.R.C. § 1(j)(3)(A) No Adjustment In 2018 —

The tables contained in paragraph (2) shall apply without adjustment for taxable years beginning after December 31, 2017, and before January 1, 2019.

I.R.C. § 1(j)(3)(B) Subsequent Years —

For taxable years beginning after December 31, 2018, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraphs (1) and (2) of subsection (f) (applied without regard to clauses (i) and (ii) of subsection (f)(2)(A)), except that in prescribing such tables—

I.R.C. § 1(j)(3)(B)(i) —

subsection (f)(3) shall be applied by substituting “calendar year 2017” for “calendar year 2016” in subparagraph (A)(ii) thereof,

I.R.C. § 1(j)(3)(B)(ii) —

subsection (f)(7)(B) shall apply to any unmarried individual other than a surviving spouse or head of household, and

I.R.C. § 1(j)(3)(B)(iii) —

subsection (f)(8) shall not apply.

I.R.C. § 1(j)(4) Special Rules For Certain Children With Unearned Income —

Editor's Note: Pub. L. 116-94, Div. O, Sec. 501(a), removed Sec. 1(j)(4), effective for taxable years beginning after December 31, 2019.

I.R.C. § 1(j)(4)(A) In General —

Editor's Note: Pub. L. 116-94, Div. O, Sec. 501(a), removed Sec. 1(j)(4), effective for taxable years beginning after December 31, 2019.

In the case of a child to whom subsection (g) applies for the taxable year, the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

I.R.C. § 1(j)(4)(B) Modifications To Applicable Rate Brackets —

Editor's Note: Pub. L. 116-94, Div. O, Sec. 501(a), removed Sec. 1(j)(4), effective for taxable years beginning after December 31, 2019.

In determining the amount of tax imposed by this section for the taxable year on a child described in subparagraph (A), the income tax table otherwise applicable under this subsection to the child shall be applied with the following modifications:

I.R.C. § 1(j)(4)(B)(i) 24-Percent Bracket —

The maximum taxable income which is taxed at a rate below 24 percent shall not be more than the sum of—

I.R.C. § 1(j)(4)(B)(i)(I) —

the earned taxable income of such child, plus

I.R.C. § 1(j)(4)(B)(i)(II) —

the minimum taxable income for the 24-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

I.R.C. § 1(j)(4)(B)(ii) 35-Percent Bracket —

The maximum taxable income which is taxed at a rate below 35 percent shall not be more than the sum of—

I.R.C. § 1(j)(4)(B)(ii)(I) —

the earned taxable income of such child, plus

I.R.C. § 1(j)(4)(B)(ii)(II) —

the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

I.R.C. § 1(j)(4)(B)(iii) 37-Percent Bracket —

The maximum taxable income which is taxed at a rate below 37 percent shall not be more than the sum of—

I.R.C. § 1(j)(4)(B)(iii)(I) —

the earned taxable income of such child, plus

I.R.C. § 1(j)(4)(B)(iii)(II) —

the minimum taxable income for the 37-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

I.R.C. § 1(j)(4)(C) Coordination With Capital Gains Rates —

Editor's Note: Pub. L. 116-94, Div. O, Sec. 501(a), removed Sec. 1(j)(4), effective for taxable years beginning after December 31, 2019.

For purposes of applying section 1(h) (after the modifications under paragraph (5)(A))—

I.R.C. § 1(j)(4)(C)(i) —

the maximum zero rate amount shall not be more than the sum of—

I.R.C. § 1(j)(4)(C)(i)(I) —

the earned taxable income of such child, plus

I.R.C. § 1(j)(4)(C)(i)(II) —

the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

I.R.C. § 1(j)(4)(C)(ii) —

the maximum 15-percent rate amount shall not be more than the sum of—

I.R.C. § 1(j)(4)(C)(ii)(I) —

the earned taxable income of such child, plus

I.R.C. § 1(j)(4)(C)(ii)(II) —

the amount in effect under paragraph (5)(B)(ii)(IV) for the taxable year.

I.R.C. § 1(j)(4)(D) Earned Taxable Income —

Editor's Note: Pub. L. 116-94, Div. O, Sec. 501(a), removed Sec. 1(j)(4), effective for taxable years beginning after December 31, 2019.

For purposes of this paragraph, the term “earned taxable income” means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.

I.R.C. § 1(j)(5) Application Of Current Income Tax Brackets To Capital Gains Brackets

I.R.C. § 1(j)(5)(A) In General —

Section 1(h)(1) shall be applied—

I.R.C. § 1(j)(5)(A)(i) —

by substituting “below the maximum zero rate amount” for “which would (without regard to this paragraph) be taxed at a rate below 25 percent” in subparagraph (B)(i), and

I.R.C. § 1(j)(5)(A)(ii) —

by substituting “below the maximum 15-percent rate amount” for “which would (without regard to this paragraph) be taxed at a rate below 39.6 percent” in subparagraph (C)(ii)(I).

I.R.C. § 1(j)(5)(B) Maximum Amounts Defined —

For purposes of applying section 1(h) with the modifications described in subparagraph (A)—

I.R.C. § 1(j)(5)(B)(i) Maximum Zero Rate Amount —

The maximum zero rate amount shall be—

I.R.C. § 1(j)(5)(B)(i)(I) —

in the case of a joint return or surviving spouse, \$77,200,

I.R.C. § 1(j)(5)(B)(i)(II) —

in the case of an individual who is a head of household (as defined in section 2(b)), \$51,700,

I.R.C. § 1(j)(5)(B)(i)(III) —

in the case of any other individual (other than an estate or trust), an amount equal to 1/2 of the amount in effect for the taxable year under subclause (I), and

I.R.C. § 1(j)(5)(B)(i)(IV) —

in the case of an estate or trust, \$2,600.

I.R.C. § 1(j)(5)(B)(ii) Maximum 15-Percent Rate Amount —

The maximum 15-percent rate amount shall be—

I.R.C. § 1(j)(5)(B)(ii)(I) —

in the case of a joint return or surviving spouse, \$479,000 (1/2 such amount in the case of a married individual filing a separate return),

I.R.C. § 1(j)(5)(B)(ii)(II) —

in the case of an individual who is the head of a household (as defined in section 2(b)), \$452,400,

I.R.C. § 1(j)(5)(B)(ii)(III) —

in the case of any other individual (other than an estate or trust), \$425,800, and

I.R.C. § 1(j)(5)(B)(ii)(IV) —

in the case of an estate or trust, \$12,700.

I.R.C. § 1(j)(5)(C) Inflation Adjustment —

In the case of any taxable year beginning after 2018, each of the dollar amounts in clauses (i) and (ii) of subparagraph (B) shall be increased by an amount equal to—

I.R.C. § 1(j)(5)(C)(i) —

such dollar amount, multiplied by

I.R.C. § 1(j)(5)(C)(ii) —

the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2017” for “calendar year 2016” in subparagraph (A) (ii) thereof.

If any increase under this subparagraph is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.

I.R.C. § 1(j)(6) Section 15 Not To Apply —

Section 15 shall not apply to any change in a rate of tax by reason of this subsection.

(Aug. 16, 1954, ch. 736, 68A Stat. 5; Feb. 26, 1964, Pub. L. 88-272, title I, Sec. 111, 78 Stat. 19; Nov. 13, 1966, Pub. L. 89-809, title I, Sec. 103(a)(2), 80 Stat. 1550; Dec. 30, 1969, Pub. L. 91-172, title VIII, Sec. 803(a), 83 Stat. 678; May 23, 1977, Pub. L. 95-30, title I, Sec. 101(a), 91 Stat. 127; Nov. 6, 1978, Pub. L. 95-600, title I, Sec. 101(a), 92 Stat. 2767; Aug. 13, 1981, Pub. L. 97-34, title I, Sec. 101(a), 104(a), 95 Stat. 176, 188; Jan. 12, 1983, Pub. L. 97-448, title I, Sec. 101(a)(3), 96 Stat. 2366; Oct. 22, 1986, Pub. L. 99-514, title I, Sec. 101(a), title III, Sec. 302(a), title XIV, Sec. 1411(a), 100 Stat. 2096, 2218, 2714; Nov. 10, 1988, Pub. L. 100-647, title I, Sec. 1001(a)(3), 1014(e)(1)-(3), (6), (7), title VI, Sec. 6006(a), 102 Stat. 3349, 3561, 3562, 3686; Dec. 19, 1989, Pub. L. 101-239, title VII, Sec. 7811(j)(1), 7816(b), 7831(a), 103 Stat. 2411, 2420, 2425; Nov. 5, 1990, Pub. L. 101-508, title XI, Sec. 11101(a)-(c), (d)(1)(A), (2), 11103(c), 11104(b), 104 Stat. 1388-403 to 1388-406, 1388-408; Aug. 10, 1993, Pub. L. 103-66, title XIII, Sec. 13201, 13202, 13206(d)(d), 107 Stat. 312; Aug. 20, 1996, Pub. L. 104-188, title I, Sec. 1704(m)(1), (2), 110 Stat. 1755; Pub. L. 105-34, title III, Sec. 311(a), Aug. 5, 1997, 111 Stat. 788; Pub. L. 105-206, title V, Sec. 5001(a), title VI, Sec. 6005(d)(1), 6007(f)(1), July 22, 1998, 112 Stat. 685; Pub. L. 105-277, title IV, Sec. 4002(i), Oct. 21, 1998, 112 Stat. 2681; Pub. L. 106-554, Sec. 117, 114 Stat. 2763; Pub. L. 107-16, title I, Sec. 101, title III, Sec. 301, 302, June 7, 2001, 115 Stat. 38; Pub. L. 108-27, title I, III, Sec. 102, 104, 105, 301, 302, May 28, 2003, 117 Stat. 752; Pub. L. 108-311, title I, IV, Sec. 101, 402, 408, Oct. 4, 2004, 118 Stat. 1166; Pub. L. 108-357, title IV, Sec. 413(c), Oct. 22, 2004; Pub. L. 109-222, title V, Sec. 510, May 17, 2006, 120 Stat. 345; Pub. L. 110-28, title VIII, Sec. 8241, May 25, 2007, 121 Stat. 112; Pub. L. 110-185, Sec. 101(f)(2), Feb. 13, 2008, 122 Stat. 613; Pub. L. 112-240, title I, section 101, 102, Jan. 2, 2013, 126 Stat. 2313; Pub. L. 113-295, Div. A, Sec. 221(a)(1), Dec. 19, 2014, 128 Stat. 4010; Pub. L. 115-97, title I, Sec. 11001(a), 11002(a), (b), (c), 14223(a), Dec. 22, 2017, 131 Stat. 2054; Pub. L. 116-94, Div. O, title V, Sec. 501(a), Dec. 20, 2019.)

BACKGROUND NOTES

Amendments to Title 26

1982—Pub. L. 97-248, title III, 307(b)(2), 308(a), Sept. 3, 1982, 96 Stat. 590, 591, provided that, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, subtitle C heading is amended to read “Employment taxes and collection of income tax at source”. Section 102(a), (b) of Pub. L. 98-67, title I, Aug. 5, 1983, 97 Stat. 369, repealed subtitle A (301-308) of title III of Pub. L. 97-248 as of the close of June 30, 1983, and provided that the Internal Revenue Code of 1954 [now 1986] [this title] shall be applied and administered (subject to certain exceptions) as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

1981—Pub. L. 97-119, title I, 103(c)(2), Dec. 29, 1981, 95 Stat. 1638, added subtitle I heading “Trust Fund Code”.

1976—Pub. L. 94-455, title XIX, 1907(b)(2), Oct. 4, 1976, 90 Stat. 1836, substituted in subtitle G heading “The Joint Committee on Taxation” for “The Joint Committee on Internal Revenue Taxation”.

1974—Pub. L. 93-443, title IV, 408(a), Oct. 15, 1974, 88 Stat. 1297, added subtitle H heading “Financing of Presidential election campaigns”.

Amendments to Subtitle A

1984—Pub. L. 98-369, div. A, title IV, 474(r)(29)(D), July 18, 1984, 98 Stat. 844, struck out “and tax-free covenant bonds” at end of item for chapter 3.

Amendments

1986—Pub. L. 99-514, title XIII, 1303(c)(1), Oct. 22, 1986, 100 Stat. 2658, struck out subchapter U “General stock ownership plans”.

1982—Pub. L. 97-354, 5(b), Oct. 19, 1982, 96 Stat. 1697, substituted in subchapter S “Tax treatment of S corporations and their shareholders” for “Election of certain small business corporations as to taxable status”.

1980—Pub. L. 96-589, 3(a)(2), Dec. 24, 1980, 94 Stat. 3400, added subchapter V.

1978—Pub. L. 95-600, title VI, 601(c)(1), Nov. 6, 1978, 92 Stat. 2897, added subchapter U.

1966—Pub. L. 89-389, 4(b)(2), Apr. 14, 1966, 80 Stat. 116, struck out subchapter R effective January 1, 1969.

1962—Pub. L. 87-834, 17(b)(4), Oct. 16, 1962, 76 Stat. 1051, added subchapter T.

1960—Pub. L. 86-779, 10(c), Sept. 14, 1960, 74 Stat. 1009, added to subchapter M heading “and real estate investment trusts”.

1958—Pub. L. 85-866, title I, 64(d)(1), Sept. 2, 1958, 72 Stat. 1656, added subchapter S.

Amendments to Chapter 1

1988—Pub. L. 100-360, title I, 111(c), July 1, 1988, 102 Stat. 697, added part VIII.

1986—Pub. L. 99-499, title V, 516(b)(5), Oct. 17, 1986, 100 Stat. 1771, added part VII.

1976—Pub. L. 94-455, title XIX, 1901(b)(2), Oct. 4, 1976, 90 Stat. 1792, struck out part V “Tax surcharge”.

1969—Pub. L. 91-172, title III, 301(b)(1), Dec. 30, 1969, 83 Stat. 585, added part VI.

1968—Pub. L. 90-364, title I, 102(d), June 28, 1968, 82 Stat. 259, added part V.

Amendments to Subchapter A

1976—Pub. L. 94-455, title V, 501(c)(1), Oct. 4, 1976, 90 Stat. 1559, substituted in item 3, “Tax tables for individuals having taxable income of less than \$20,000” for “Optional tax tables for individuals” and deleted item 4 relating to rules for optional tax.

1969—Pub. L. 91-172, title VIII, 803(d)(9), Dec. 30, 1969, 83 Stat. 685, substituted “Definitions and special rules” and “Optional tax tables for individuals” for “Tax in case of joint return or return of surviving spouse” and “Optional tax if adjusted gross income is less than \$5,000” in items 2 and 3, respectively.

AMENDMENTS

2019—Subsec. (j)(4). Pub. L. 116-94, Div. O, Sec. 501(a), struck par. (4). Before being struck, it read as follows:

“(4) Special Rules For Certain Children With Unearned Income

“(A) In General.—In the case of a child to whom subsection (g) applies for the taxable year, the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

“(B) Modifications To Applicable Rate Brackets.—In determining the amount of tax imposed by this section for the taxable year on a child described in subparagraph (A), the income tax table otherwise applicable under this subsection to the child shall be applied with the following modifications:

“(i) 24-Percent Bracket.—The maximum taxable income which is taxed at a rate below 24 percent shall not be more than the sum of—

“(I) the earned taxable income of such child, plus

“(II) the minimum taxable income for the 24-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

“(ii) 35-Percent Bracket.—The maximum taxable income which is taxed at a rate below 35 percent shall not be more than the sum of—

“(I) the earned taxable income of such child, plus

“(II) the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

“(iii) 37-Percent Bracket.—The maximum taxable income which is taxed at a rate below 37 percent shall not be more than the sum of—

“(I) the earned taxable income of such child, plus

“(II) the minimum taxable income for the 37-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

“(C) Coordination With Capital Gains Rates.—For purposes of applying section 1(h) (after the modifications under paragraph (5)(A))—

“(i) the maximum zero rate amount shall not be more than the sum of—

“(I) the earned taxable income of such child, plus

“(II) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

“(ii) the maximum 15-percent rate amount shall not be more than the sum of—

“(I) the earned taxable income of such child, plus

“(II) the amount in effect under paragraph (5)(B)(ii)(IV) for the taxable year.

“(D) Earned Taxable Income.—For purposes of this paragraph, the term “earned taxable income” means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.”

2017 — Subsec. (f)(2)(A). Pub. L. 115-97, Sec. 11002(c)(1), amended subpar. (A). Before amendment, it read as follows:

“(A) by increasing except as provided in paragraph (8) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year,”.

Subsec. (f)(3). Pub. L. 115-97, Sec. 11002(a), amended subsec. (f) by striking par. (3) and by adding a new par. (3). Before being struck, it read as follows:

“(3) Cost-Of-Living Adjustment.—For purposes of paragraph , the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

“(A) the CPI for the preceding calendar year, exceeds

“(B) the CPI for the calendar year 1992.”

Subsec. (f)(6)-(7). Pub. L. 115-97, Sec. 11002(b), amended subsec. (f) by striking par. (7), by redesignating par. (6) as par. (7), and by adding a new par. (6). Before being struck, par. (7) read as follows:

“(7) Special Rule For Certain Brackets.—In prescribing tables under paragraph (1) which apply to taxable years beginning in a calendar year after 1994, the cost-of-living adjustment used in making adjustments to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate bracket begins shall be determined under paragraph (3) by substituting ‘1993’ for ‘1992’.”

(h)(11)(C)(iii). Pub. L. 115-97, Sec. 14223(a), amended clause (iii) by substituting “shall not include—(I) any foreign corporation” for “shall not include any foreign corporation”, by substituting “, and” for the period at the end, and by adding subclause (II).

Subsec. (i)(1)(C). Pub. L. 115-97, Sec. 11002(c)(2)(A), amended subpar. (C) by substituting “for ‘2016’ in subparagraph (A)(ii)” for “for ‘1992’ in subparagraph (B)”.

Subsec. (i)(3)(C). Pub. L. 115-97, Sec. 11002(c)(2)(B), amended subpar. (B) by substituting “subsection (f) (3)(A)(ii) shall be applied by substituting ‘2012’ for ‘2016’” for “subsection (f)(3)(B) shall be applied by substituting ‘2012’ for ‘1992’”.

Subsec. (j). Pub. L. 115-97, Sec. 11001(a), added subsec. (j).

2014 — Subsec. (f). Pub. L. 113-295, Div. A, Sec. 221(a)(1), amended subsec. (f). Before amendment, it read as follows:

“(7) Special Rule For Certain Brackets

“(A) Calendar Year 1994 In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in calendar year 1994, the Secretary shall make no adjustment to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate begins under any table contained in subsection (a), (b), (c), (d), or (e).

“(B) Later Calendar Years. In prescribing tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 1994, the cost-of-living adjustment used in making adjustments to the dollar amounts referred to in subparagraph (A) shall be determined under paragraph (3) by substituting “1993” for “1992”.”

2013 — Subsec. (h)(1)(B). Pub. L. 112-240, Sec. 102(c)(2), amended subpar. (B) by substituting “0 percent” for “5 percent (0 percent in the case of taxable years beginning after 2007)”.

Subsec. (h)(1)(C)-(F). Pub. L. 112-240, Sec. 102(b)(1), amended par. (1) by striking subpar. (C), by redesignating subpar. (D)-(E) as subpar. (E)-(F), respectively, and by adding new subpar. (C) and (D). Before being struck, subpar. (C) read as follows:

“(C) 15 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the amount on which a tax is determined under subparagraph (B),”

Subsec. (i)(2). Pub. L. 112-240, Sec. 101(b)(1)(A), amended par. (2). Before amendment, it read as follows:

“(2) Reductions In Rates After June 30, 2001.—In the case of taxable years beginning in a calendar year after 2000, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and (e).

In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:
---	--

	28%	31%	36%	39.6%
2001	27.5%	30.5%	35.5%	39.1%
2002	27.0%	30.0%	35.0%	38.6%
2003 and thereafter	25.0%	28.0%	33.0%	35.0%

Subsec. (i)(3)-(4). Pub. L. 112-240, Sec. 101(b)(1)(B), redesignated par. (3) as par. (4) and added a new par. (3).

2008 — Subsec. (i)(D). Pub. L. 110-185, Sec. 101(f)(2), amended subsec. (i) by striking subpar. (D). Before being struck, it read as follows:

“(D) Coordination With Acceleration Of 10 Percent Rate Bracket Benefit For 2001.-- This paragraph shall not apply to any taxable year to which section 6428 applies.”

2007 — Subsec. (g). Pub. L. 110-28, Sec. 8241(b), amended the heading for subsec. (g) by striking “Minor”. Subsec. (g)(2)(A). Pub. L. 110-28, Sec. 8241(a), amended subpar. (A). Before being amended, it read as follows:

“(A) such child has not attained age 18 before the close of the taxable year,”.

2006 — Subsec. (g)(2)(A). Pub. L. 109-222, Sec. 510(a), amended subpar. (A) by substituting “age 18” for “age 14”.

Subsec. (g)(2)(A)-(C). Pub. L. 109-222, Sec. 510(c), amended subpar. (A) by striking “and” at the end; amended subpar. (B) by substituting “, and” for the period at the end; and added subpar. (C).

Subsec. (g)(4)(C). Pub. L. 109-222, Sec. 510(b), added subpar. (C).

2004 — Subsec. (h)(10)(F). Pub. L. 108-357, Sec. 413(c)(1)(A), amended subpar. (F) by adding “and” at the end.

Subsec. (h)(10)(G). Pub. L. 108-357, Sec. 413(c)(1)(A), struck subpar. (G).

Subsec. (h)(10)(H). Pub. L. 108-357, Sec. 413(c)(1)(A), redesignated subpar. (H) as subpar. (G).

Subsec. (h)(11)(C)(iii). Pub. L. 108-357, Sec. 413(c)(1)(B), amended clause (iii) by striking “a foreign personal holding company (as defined in section 552), a foreign investment company (as defined in section 1246(b)), or”. Subsec. (f)(8). Pub. L. 108-311, Sec. 101(c), amended par. (8). Before amendment it read as follows:

“(8) Phaseout of marriage penalty in 15-percent bracket—

“(A) IN GENERAL.—

With respect to taxable years beginning after December 31, 2002, in prescribing the tables under paragraph (1)—

“(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

“(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be 1/2 of the amounts determined under clause (i).

“(B) APPLICABLE PERCENTAGE.--

“For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

For taxable years beginning in calendar year—	The applicable percentage is—
2003 and 2004	200
2005	180
2006	187
2007	193
2008 and thereafter	200.

“(C) ROUNDING.—

“If any amount determined under subparagraph (A)(i) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.”

Subsec. (g)(7)(B)(ii)(II). Pub. L. 108-311, Sec. 408(a)(1), amended subclause (II) by substituting ‘10 percent’ for ‘10 percent’.”.

Subsec. (h)(1)(D)(i). Pub. L. 108-311, Sec. 402(a)(1), amended clause (i) by inserting ‘(determined without regard to paragraph (11))’ after ‘net capital gain’.

Subsec. (h)(6)(A)(ii)(I). Pub. L. 108-311, Sec. 408(a)(2)(A), amended subclause (I) by substituting ‘(4)(B)’ for ‘(5)(B)’.

Subsec. (h)(6)(A)(ii)(II). Pub. L. 108-311, Sec. 408(a)(2)(B), amended subclause (II) by substituting “(4)(A)” for “(5)(A)”.

Subsec. (h)(11)(B)(iii)(I). Pub. L. 108-311, Sec. 402(a)(2)(A)-(C), amended subclause (I) by substituting “section 246(c)” for “section 246(c)(1)”, “121-day period” for “120-day period”, and “91-day period” for “90-day period”.

Subsec. (h)(11)(D)(ii). Pub. L. 108-311, Sec. 402(a)(3), amended clause (ii) by substituting “an taxpayer to whom this section applies” for “an individual”.

Subsec. (i)(1)(B)(i). Pub. L. 108-311, Sec. 101(d)(1), amended clause (i) by striking “(\$12,000 in the case of taxable years beginning after December 31, 2004, and before January 1, 2008)” after “14,000”.

Subsec. (i)(1)(C). Pub. L. 108-311, Sec. 101(d)(2), amended subpar. (C). Before amendment it read as follows:

“(C) INFLATION ADJUSTMENT.—

“In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2000—

“(i) except as provided in clause (ii), the Secretary shall make no adjustment to the initial bracket amounts for any taxable year beginning before January 1, 2009,

“(ii) there shall be an adjustment under subsection (f) of such amounts which shall apply only to taxable years beginning in 2004, and such adjustment shall be determined under subsection (f)(3) by substituting “2002” for “1992” in subparagraph (B) thereof,

“(iii) the cost-of-living adjustment used in making adjustments to the initial bracket amounts for any taxable year beginning after December 31, 2008, shall be determined under subsection (f)(3) by substituting ‘2007’ for ‘1992’ in subparagraph (B) thereof, and

“(iv) the adjustments under clauses (ii) and (iii) shall not apply to the amount referred to in subparagraph (B) (iii).

“If any amount after adjustment under the preceding sentence is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.”

2003 — Subsec. (f)(8)(A). Pub. L. 108-27, Sec. 102(b)(1), amended subpar. (A) by substituting “2002” for “2004”.

Subsec. (f)(8)(B). Pub. L. 108-27, Sec. 102(a), amended the table in subpar. (B) by inserting “2003 and 2004 ... 200” before the item relating to 2005.

Subsec. (h)(1)(B). Pub. L. 108-27, Sec. 301(a)(1), amended subpar. (B) by substituting “5 percent (0 percent in the case of table years beginning after 2007)” for “10 percent”.

Subsec. (h)(1)(C). Pub. L. 108-27, Sec. 301(a)(2)(A), amended subpar. (C) by substituting “15 percent” for “20 percent”.

Subsec. (h)(2)-(8). Pub. L. 108-27, Sec. 301(b)(1), struck par. (2) and redesignated par. (3)-(8) as par. (2)-(7), respectively. Prior to being struck it read as follows:

“(2) Reduced capital gain rates for qualified 5-year gain.—

“(A) Reduction in 10-percent rate.—

“In the case of any taxable year beginning after December 31, 2000, the rate under paragraph (1)(B) shall be 8 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 5-year gain, and 10 percent with respect to the remainder of such amount.

“(B) Reduction in 20-percent rate.—

“The rate under paragraph (1)(C) shall be 18 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

“(i) the excess of qualified 5-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

“(ii) the amount of qualified 5-year gain (determined by taking into account only property the holding period for which begins after December 31, 2000),

“and 20 percent with respect to the remainder of such amount. For purposes of determining under the preceding sentence whether the holding period of property begins after December 31, 2000, the holding period of property acquired pursuant to the exercise of an option (or other right or obligation to acquire property) shall include the period such option (or other right or obligation) was held.”

Subsec. (h)(3). Pub. L. 108-27, Sec. 302(e)(1), amended par. (3). Prior to amendment it read as follows:

“(3) Adjusted net capital gain.—

“For purposes of this subsection, the term ‘adjusted net capital gain’ means net capital gain reduced (but not below zero) by the sum of—

“(A) unrecaptured section 1250 gain, and

“(B) 28-percent rate gain.”

Subsec. (h)(9)-(12). Pub. L. 108-27, Sec. 301(b), amended subsec. (h) by striking par. (9) and redesignating par. (10)-(12) as par. (8)-(10), respectively. Prior to being struck, par. (9) read as follows:

“(9) Qualified 5-year gain.—

“For purposes of this subsection, the term ‘qualified 5-year gain’ means the aggregate long-term capital gain from property held for more than 5 years. The determination under the preceding sentence shall be made without regard to collectibles gain, gain described in paragraph (7)(A)(i), and section 1202 gain.”

Subsec. (h)(11). Pub. L. 108-27, Sec. 302(a), added par. (11).

Subsec. (i)(1)(B)(i). Pub. L. 108-27, Sec. 104(a), amended clause (i) by substituting “(\$12,000 in the case of taxable years beginning after December 31, 2004, and before January 1, 2008)” for “(\$12,000 in the case of taxable years beginning before January 1, 2008)”.

Subsec. (i)(1)(C). Pub. L. 108-27, Sec. 104(b), amended subpar. (C). Prior to amendment it read as follows:

“(C) INFLATION ADJUSTMENT.—

“In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2000—

“(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2009,

“(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2008, shall be determined under subsection (f)(3) by substituting ‘2007’ for ‘1992’ in subparagraph (B) thereof, and

“(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

“If any amount after adjustment under the preceding sentence is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.”

Subsec. (i)(2). Pub. L. 108-27, Sec. 105(a), amended the table in par. (2). Prior to amendment it read as follows:

“

In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2001	27.5%	30.5%	35.5%	39.1%
2002 and 2003	27.0%	30.0%	35.0%	38.6%
2004 and 2005	26.0%	29.0%	34.0%	37.6%
2006 and thereafter	25.0%	28.0%	33.0%	35.0%

2001 — Subsec. (f). Pub. L. 107-16, Sec. 302(b)(2), amended the heading of subsec. (f) by inserting “Phaseout of Marriage Penalty in 15-percent Bracket;” before “Adjustments.”

Subsec. (f)(2)(A). Pub. L. 107-16, Sec. 302(b)(1), amended subpar. (A) by inserting “except as provided in paragraph (8),” before “by increasing”.

Subsec. (f)(6)(B). Pub. L. 107-16, Sec. 301(c)(1), amended subpar. (B) by substituting “(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied” for “(other than with” and all that follows through “shall be applied”.

Subsec. (f)(8). Pub. L. 107-16, Sec. 302(a), added par. (8).

Subsec. (g)(7)(B)(ii)(II). Pub. L. 107-16, Sec. 101(c)(1), amended subclause (II) by substituting “10 percent” for “15 percent”.

Subsec. (h)(1)(A)(ii)(I). Pub. L. 107-16, Sec. 101(c)(2)(A), amended subclause (I) by substituting “25 percent” for “28 percent”.

Subsec. (h)(1)(B)(i). Pub. L. 107-16, Sec. 101(c)(2)(A), amended clause (i) by substituting “25 percent” for “28 percent”.

Subsec. (h)(13). Pub. L. 107-16, Sec. 101(c)(2)(B), struck par. (13). Before being struck, it read as follows: “(13) Special rules.—

“(A) Determination of 28-percent rate gain.—

“In applying paragraph (5)—

“(i) the amount determined under subparagraph (A) of paragraph (5) shall include long-term capital gain (not otherwise described in such subparagraph)—

“(I) which is properly taken into account for the portion of the taxable year before May 7, 1997, or
“(II) from property held not more than 18 months which is properly taken into account for the portion of the taxable year after July 28, 1997, and before January 1, 1998,
“(ii) the amount determined under subparagraph (B) of paragraph (5) shall include long-term capital loss (not otherwise described in such subparagraph)—
“(I) which is properly taken into account for the portion of the taxable year before May 7, 1997, or
“(II) from property held not more than 18 months which is properly taken into account for the portion of the taxable year after July 28, 1997, and before January 1, 1998, and
“(iii) subparagraph (B) of paragraph (5) (as in effect immediately before the enactment of this clause) shall apply to amounts properly taken into account before January 1, 1998.
“(B) Determination of unrecaptured section 1250 gain.—
“The amount determined under paragraph (7)(A)(i) shall not include gain—
“(i) which is properly taken into account for the portion of the taxable year before May 7, 1997, or
“(ii) from property held not more than 18 months which is properly taken into account for the portion of the taxable year after July 28, 1997, and before January 1, 1998.
“(C) Special rules for pass-thru entities
“In applying this paragraph with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.
(D)Charitable remainder trusts—
Subparagraphs (A) and (B)(ii) shall not apply to any capital gain distribution made by a trust described in section 664.”
Subsec. (i). Pub. L. 107-16, Sec. 101(a), added subsec. (i).
2000 — Subsec. (h)(8). Pub. L. 106-554, Sec. 117(b)(1), amended par. (8) by striking “means an amount equal to the gain excluded from gross income under section 1202(a).” and substituting the above language following “section 1202 gain”.
1998 — Subsec. (h)(13)(B). Pub. L. 105-277, Sec. 4002(i)(1), amended subpar. (B) by substituting “paragraph (7)(A)(i)” for “paragraph (7)(A)”.
Subsec. (h)(13)(D). Pub. L. 105-277, Sec. 4002(i)(3), added subpar. (D).
Subsec. (g). Pub. L. 105-206, Sec. 6007(f)(1), struck subpar. (C) and redesignated subpar. (D) as subpar. (C). Prior to being struck, it read as follows:
“(C) Coordination with section 644
If tax is imposed under section 644(a)(1) with respect to the sale or exchange of any property of which the parent was the transferor, for purposes of applying subparagraph (A) to the taxable year of the parent in which such sale or exchange occurs—
“(i) taxable income of the parent shall be increased by the amount treated as included in gross income under section 644(a)(2)(A)(i), and
“(ii) the amount described in subparagraph (A)(ii) shall be increased by the amount of the excess referred to in section 644(a)(2)(A).”
Subsec. (h). Pub. L. 105-206, Sec. 6005(d)(1), amended subsec. (h). Prior to amendment it read as follows:
“(h) Maximum Capital Gains Rate.—
“(1) In general.—
If a taxpayer has a net capital gain for any taxable year, the tax imposed by this section for such taxable year shall not exceed the sum of—
“(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—
“(i) taxable income reduced by the net capital gain, or
“(ii) the lesser of—
“(I) the amount of taxable income taxed at a rate below 28 percent, or
“(II) taxable income reduced by the adjusted net capital gain, plus
“(B) 25 percent of the excess (if any) of—
“(i) the unrecaptured section 1250 gain (or, if less, the net capital gain), over
“(ii) the excess (if any) of—
“(I) the sum of the amount on which tax is determined under subparagraph (A) plus the net capital gain, over
“(II) taxable income, plus
“(C) 28 percent of the amount of taxable income in excess of the sum of—
“(i) the adjusted net capital gain, plus
“(ii) the sum of the amounts on which tax is determined under subparagraphs (A) and (B), plus

“(D) 10 percent of so much of the taxpayer's adjusted net capital gain (or, if less, taxable income) as does not exceed the excess (if any) of—

“(i) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 28 percent, over

“(ii) the taxable income reduced by the adjusted net capital gain, plus

“(E) 20 percent of the taxpayer's adjusted net capital gain (or, if less, taxable income) in excess of the amount on which a tax is determined under subparagraph (D).

“(2) Reduced capital gain rates for qualified 5-year gain.—

“(A) Reduction in 10-percent rate.— In the case of any taxable year beginning after December 31, 2000, the rate under paragraph (1)(D) shall be 8 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 5-year gain, and 10 percent with respect to the remainder of such amount.

“(B) Reduction in 20-percent rate.— The rate under paragraph (1)(E) shall be 18 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

“(i) the excess of qualified 5-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

“(ii) the amount of qualified 5-year gain (determined by taking into account only property the holding period for which begins after December 31, 2000),

and 20 percent with respect to the remainder of such amount. For purposes of determining under the preceding sentence whether the holding period of property begins after December 31, 2000, the holding period of property acquired pursuant to the exercise of an option (or other right or obligation to acquire property) shall include the period such option (or other right or obligation) was held.

“(3) Net capital gain taken into account as investment income.—

For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B) (iii).

“(4) Adjusted net capital gain.— For purposes of this subsection, the term ‘adjusted net capital gain’ means net capital gain determined without regard to—

“(A) collectibles gain,

“(B) unrecaptured section 1250 gain,

“(C) section 1202 gain, and

“(D) mid-term gain.

“(5) Collectibles gain.— For purposes of this subsection—

“(A) In general.— The term ‘collectibles gain’ means gain from the sale or exchange of a collectible (as defined in section 408(m) without regard to paragraph (3) thereof) which is a capital asset held for more than 1 year but only to the extent such gain is taken into account in computing gross income.

“(B) Partnerships, etc.— For purposes of subparagraph (A), any gain from the sale of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751 shall apply for purposes of the preceding sentence.

“(6) Unrecaptured section 1250 gain.— For purposes of this subsection—

“(A) In general.— The term ‘unrecaptured section 1250 gain’ means the amount of long-term capital gain which would be treated as ordinary income if—

“(i) section 1250(b)(1) included all depreciation and the applicable percentage under section 1250(a) were 100 percent, and

“(ii) in the case of gain properly taken into account after July 28, 1997, only gain from section 1250 property held for more than 18 months were taken into account.

“(B) Limitation with respect to section 1231 property.— The amount of unrecaptured section 1250 gain from sales, exchanges, and conversions described in section 1231(a)(3)(A) for any taxable year shall not exceed the excess of the net section 1231 gain (as defined in section 1231(c)(3)) for such year over the amount treated as ordinary income under section 1231(c)(1) for such year.

“(C) Pre-May 7, 1997, gain.— In the case of a taxable year which includes May 7, 1997, subparagraph (A) shall be applied by taking into account only the gain properly taken into account for the portion of the taxable year after May 6, 1997.

“(7) Section 1202 gain.— For purposes of this subsection, the term ‘section 1202 gain’ means an amount equal to the gain excluded from gross income under section 1202(a).

“(8) Mid-term gain.— For purposes of this subsection, the term ‘mid-term gain’ means the amount which would be adjusted net capital gain for the taxable year if—

“(A) adjusted net capital gain were determined by taking into account only the gain or loss properly taken into account after July 28, 1997, from property held for more than 1 year but not more than 18 months, and
“(B) paragraph (3) and section 1212 did not apply.

“(9) Qualified 5-year gain.— For purposes of this subsection, the term ‘qualified 5-year gain’ means the amount of long-term capital gain which would be computed for the taxable year if only gains from the sale or exchange of property held by the taxpayer for more than 5 years were taken into account. The determination under the preceding sentence shall be made without regard to collectibles gain, unrecaptured section 1250 gain (determined without regard to subparagraph (B) of paragraph (6)), section 1202 gain, or mid-term gain.

“(10) Pre-effective date gain.—

“(A) In general.— In the case of a taxable year which includes May 7, 1997, gains and losses properly taken into account for the portion of the taxable year before May 7, 1997, shall be taken into account in determining mid-term gain as if such gains and losses were described in paragraph (8)(A).

“(B) Special rules for pass-thru entities.— In applying subparagraph (A) with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

“(C) Pass-thru entity defined.— For purposes of subparagraph (B), the term ‘pass-thru entity’ means—

“(i) a regulated investment company,

“(ii) a real estate investment trust,

“(iii) an S corporation,

“(iv) a partnership,

“(v) an estate or trust, and

“(vi) a common trust fund.

“(11) Treatment of pass-thru entities.—The Secretary may prescribe such regulations as are appropriate (including regulations requiring reporting) to apply this subsection in the case of sales and exchanges by pass-thru entities (as defined in paragraph (10)(C)) and of interests in such entities.”

Subsec. (h)(13). Pub. L. 105-206, Sec. 5001(a)(4), amended par. (13). Prior to amendment it read as follows:

“(13) Special rules for periods during 1997.—

“(A) Determination of 28-percent rate gain.— In applying paragraph (5)—

“(i) the amount determined under subclause (I) of paragraph (5)(A)(i) shall include long-term capital gain (not otherwise described in paragraph (5)(A)(i)) which is properly taken into account for the portion of the taxable year before May 7, 1997,

“(ii) the amounts determined under subclause (I) of paragraph (5)(A)(ii) shall include long-term capital loss (not otherwise described in paragraph (5)(A)(ii)) which is properly taken into account for the portion of the taxable year before May 7, 1997, and

“(iii) clauses (i)(I) and (ii)(I) of paragraph (5)(A) shall be applied by not taking into account any gain and loss on property held for more than 1 year but not more than 18 months which is properly taken into account for the portion of the taxable year after May 6, 1997, and before July 29, 1997.

“(B) Other special rules.—

“(i) Determination of unrecaptured section 1250 gain not to include pre-May 7, 1997 gain.— The amount determined under paragraph (7)(A)(i) shall not include gain properly taken into account for the portion of the taxable year before May 7, 1997.

“(ii) Other transitional rules for 18-month holding period.—Paragraphs (6)(A) and (7)(A)(i)(II) shall be applied by substituting ‘1 year’ for ‘18 months’ with respect to gain properly taken into account for the portion of the taxable year after May 6, 1997, and before July 29, 1997.

Subsec. (h)(5). Pub. L. 105-206, Sec. 5001(a)(1), amended par. (5). Prior to amendment it read as follows:

“(5) 28-percent rate gain.— For purposes of this subsection—

“(A) In general.— The term ‘28-percent rate gain’ means the excess (if any) of—

“(i) the sum of—

“(I) the aggregate long-term capital gain from property held for more than 1 year but not more than 18 months,

“(II) collectibles gain, and

“(III) section 1202 gain, over

“(ii) the sum of—

“(I) the aggregate long-term capital loss (not described in subclause (IV)) from property referred to in clause (i)(I),

“(II) collectibles loss,

“(III) the net short-term capital loss, and

“(IV) the amount of long-term capital loss carried under section 1212(b)(1)(B) to the taxable year.

“(B) Special rules.—

“(i) Short sale gains and holding periods.— Rules similar to the rules of section 1233(b) shall apply where the substantially identical property has been held more than 1 year but not more than 18 months; except that, for purposes of such rules—

“(I) section 1233(b)(1) shall be applied by substituting ‘18 months’ for ‘1 year’ each place it appears, and

“(II) the holding period of such property shall be treated as being 1 year on the day before the earlier of the date of the closing of the short sale or the date such property is disposed of.

“(ii) Long-term losses.— Section 1233(d) shall be applied separately by substituting ‘18 months’ for ‘1 year’ each place it appears.

“(iii) Options.— A rule similar to the rule of section 1092(f) shall apply where the stock was held for more than 18 months.

“(iv) Section 1256 contracts.—Amounts treated as long-term capital gain or loss under section 1256(a)(3) shall be treated as attributable to property held for more than 18 months.”

Subsec. (h)(6). Pub. L. 105-206, Sec. 5001(a)(2), amended subpar. (A) by substituting “1 year” for “18 months”.

Subsec. (h)(7). Pub. L. 105-206, Sec. 5001(a)(3), amended clauses (i) and (ii) of subpar. (A). Prior to amendment they read as follows:

“(i) the amount of long-term capital gain (not otherwise treated as ordinary income) which would be treated as ordinary income if--

“(I) section 1250(b)(1) included all depreciation and the applicable percentage under section 1250(a) were 100 percent, and

“(II) only gain from property held for more than 18 months were taken into account, over

“(ii) the excess (if any) of—

“(I) the amount described in paragraph (5)(A)(ii), over

“(II) the amount described in paragraph (5)(A)(i).”

1997 — Subsec. (h). Pub. L. 105-34, Sec. 311(a), amended subsec. (h). Prior to amendment it read as follows:

“(h) Maximum capital gains rate. — “If a taxpayer has a net capital gain for any taxable year, then the tax imposed by this section shall not exceed the sum of —

“(1) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of —

“(A) taxable income reduced by the amount of the net capital gain, or

“(B) the amount of taxable income taxed at a rate below 28 percent, plus

“(2) a tax of 28 percent of the amount of taxable income in excess of the amount determined under paragraph (1).

“For purposes of the preceding sentence, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii). “

1996 — Subsec. (g)(7)(A)(ii). Pub. L. 104-188, Sec. 1704(m)(1) amended clause (ii) generally, which prior to amendment read as follows:

‘(ii) such gross income is more than \$500 and less than \$5,000,’.

Subsec. (g)(7)(B)(i). Pub. L. 104-188, Sec. 1704(m)(2)(A) substituted ‘twice the amount described in paragraph (4)(A)(ii)(I)’ for ‘\$1,000’.

Subsec. (g)(7)(B)(ii)(II). Pub. L. 104-188, Sec. 1704(m)(2)(B) amended subclause (II) generally, which prior to amendment read as follows:

‘(II) for each such child, the lesser of \$75 or 15 percent of the excess of the gross income of such child over \$500, and’.

1993 — Subsecs. (a) to (e). Pub. L. 103-66, Section 13201(a) amended section 1 by striking subsections (a) through (e) and inserting new subsections (a) through (e). Prior to being stricken subsections (a) through (e) read as follows:

‘(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES. — There is hereby imposed on the taxable income of —

‘(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

‘(2) every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$32,450	15% of taxable income.
Over \$32,450 but not over \$78,400	\$4,867.50, plus 28% of the excess over \$32,450.
Over \$78,400	\$17,733.50, plus 31% of the excess over \$78,400.

‘(b) HEADS OF HOUSEHOLDS. — There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

“If taxable income is:	The tax is:
Not over \$26,050	15% of taxable income.
Over \$26,050 but not over \$67,200	\$3,907.50, plus 28% of the excess over \$26,500.
Over \$67,200	\$15,429.50, plus 31% of the excess over \$67,200.

‘(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS). — There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$19,450	15% of taxable income.
Over \$19,450 but not over \$47,050	\$2,917.50, plus 28% of the excess over \$19,450.
Over \$47,050	\$10,645.50, plus 31% of the excess over \$47,050.

‘(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS. — There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$16,225	15% of taxable income.
Over \$16,225 but not over \$39,200	\$2,433.75, plus 28% of the excess over \$16,225.
Over \$39,200	\$8,866.75, plus 31% of the excess over \$39,200.

‘(e) ESTATES AND TRUSTS. — There is hereby imposed on the taxable income of —

‘(1) every estate, and

‘(2) every trust, taxable under this subsection a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$3,300	15% of taxable income.
Over \$3,300 but not over \$9,900	\$495, plus 28% of the excess over \$3,300.
Over \$9,900	\$2,343, plus 31% of the excess over \$9,900.’

Subsec. (a). Pub. L. 103-66, Section 13202(a)(1) amended subsection (a) (as amended by section 13201) by striking the last item in the table contained therein and inserting the following:

“Over \$140,000 but not over \$35,928.50, plus 36% of the

\$250,000.
Over \$250,000.

excess over \$140,000.
\$75,528.50, plus 39.6% of the
excess over \$250,000."

Subsec. (b). Pub. L. 103-66, Section 13202(a)(2) amended subsection (b) (as amended by section 13201) by striking the last item in the table contained therein and inserting the following:

"Over \$127,500 but not over
\$250,000.
Over \$250,000

\$33,385, plus 36% of the
excess over \$127,500.
\$77,485, plus 39.6% of the
excess over \$250,000."

Subsec. (c). Pub. L. 103-66, Section 13202(a)(3) amended subsection (c) (as amended by section 13201) by striking the last item in the table contained therein and inserting the following:

"Over \$115,000 but not over
\$250,000.
Over \$250,000.

\$31,172, plus 36% of the
excess over \$115,000.
\$79,772, plus 39.6% of the
excess over \$250,000."

Subsec. (d). Pub. L. 103-66, Section 13202(a)(4) amended subsection (d) (as amended by section 13201) by striking the last item in the table contained therein and inserting the following:

"Over \$70,000 but not over
\$125,000
Over \$125,000

\$17,964.25, plus 36% of the
excess over \$70,000.
\$37,764.25, plus 39.6% of the
excess over \$125,000."

Subsec. (e). Pub. L. 103-66, Section 13202(a)(5) amended subsection (e) (as amended by section 13201) by striking the last item in the table contained therein and inserting the following:

"Over \$5,500 but not
over \$7,500
Over \$7,500

\$1,405, plus 36% of the
excess over \$5,500.
\$2,125, plus 39.6% of the
excess over \$7,500."

Subsec. (f). Pub. L. 103-66, Section 13201(b)(3)(A) and (B) amended subsection (f) by striking "1990" in paragraph (1) and inserting "1993", by striking "1989" in paragraph (3)(B) and inserting "1992", and by adding at the end thereof a new paragraph (7).

Subsec. (h). Pub. L. 103-66, Section 13206(d)(2) amended subsection (h) by adding at the end the following new sentence:

"For purposes of the preceding sentence, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

1990 — Subsecs.(a) to (e). Pub. L. 101-508, Sec. 11101(a), amended subsecs.(a) to (e) generally, substituting three-tiered tax tables for all categories applicable to tax years after Dec. 31, 1990, for prior two-tiered tax tables. Subsec. (f)(1). Pub. L. 101-508, Sec. 11101(d)(1)(A)(i), substituted '1990' for '1988'. Subsec. (f)(3)(B). Pub. L. 101-508, Sec. 11101(d)(1)(A)(ii), substituted '1989' for '1987'. Subsec. (f)(6)(A). Pub. L. 101-508, Sec. 11104(b)(1), substituted 'section 151(d)(4)' for 'section 151(d)(3)'. Pub. L. 101-508, Sec. 11103(c), inserted reference to section 68(b)(2). Pub. L. 101-508, Sec. 11101(b)(2), struck out 'subsection (g)(4),' after 'paragraph (2)(A),'. Subsec. (f)(6)(B). Pub. L. 101-508, Sec. 11104(b)(2), substituted 'section 151(d)(4)(A)' for 'section 151(d)(3)'. Subsec. (g). Pub. L. 101-508, Sec. 11101(d)(2), redesignated subsec. (i) as (g). Pub.

L. 101-508, Sec. 11101(b)(1), struck out subsec. (g) which provided for phaseout of 15-percent rate and personal exemptions. Subsec. (h). Pub. L. 101-508, Sec. 11101(d)(2), redesignated subsec. (j) as (h) and struck out former subsec. (h) which provided tax schedules for taxable years beginning in 1987. Subsec. (i). Pub. L. 101-508, Sec. 11101(d)(2), redesignated subsec. (i) as (g). Subsec. (j). Pub. L. 101-508, Sec. 11101(d)(2), redesignated subsec. (j) as (h). Pub. L. 101-508, Sec. 11101(c), amended subsec. (j) generally. Prior to amendment, subsec. (j) read as follows:

‘(1) In general. — If a taxpayer has a net capital gain for any taxable year to which this subsection applies, then the tax imposed by this section shall not exceed the sum of —

‘(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of —

‘(i) the taxable income reduced by the amount of net capital gain, or

‘(ii) the amount of taxable income taxed at a rate below 28 percent, plus

‘(B) a tax of 28 percent of the amount of taxable income in excess of the amount determined under subparagraph (A), plus

‘(C) the amount of increase determined under subsection (g).

‘(2) Years to which subsection applies. — This subsection shall apply to —

‘(A) any taxable year beginning in 1987, and

‘(B) any taxable year beginning after 1987 if the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) (whichever applies) for such taxable year exceeds 28 percent.’

1989 — Subsec. (f)(6)(B). Pub. L. 101-239, Sec. 7831(a), substituted ‘subsection (c)(4) of section 63 (as it applies to subsections (c)(5)(A) and (f) of such section) and section 151(d)(3)’ for ‘section 63(c)(4)’. Subsec. (i)(3)(C), (D). Pub. L. 101-239, Sec. 7811(j)(1), redesignated subpar. (C), relating to special rule where parent has different taxable year, as (D). Subsec. (i)(7)(A). Pub. L. 101-239, Sec. 7816(b), inserted ‘(other than for purposes of this paragraph)’ after ‘shall be treated’ in concluding provisions.

1988 — Subsec. (g)(2). Pub. L. 100-647, Sec. 1001(a)(3), inserted provision relating to application of subpar. (B) at end of last sentence. Subsec. (i)(3)(A). Pub. L. 100-647, Sec. 1014(e)(2), substituted ‘any exclusion, deduction, or credit’ for ‘any deduction or credit’. Subsec. (i)(3)(C). Pub. L. 100-647, Sec. 1014(e)(7), added subpar. (C) relating to special rule where parent has different taxable year. Pub. L. 100-647, Sec. 1014(e)(1), added subpar. (C) relating to coordination with section 644. Subsec. (i)(4)(A)(i). Pub. L. 100-647, Sec. 1014(e)(3)(A), substituted ‘adjusted gross income’ for ‘gross income’ and inserted ‘attributable to’ after ‘which is not’. Subsec. (i)(4)(A)(ii)(II). Pub. L. 100-647, Sec. 1014(e)(3)(B)-(D), substituted ‘his deductions’ for ‘his deduction’, ‘the itemized deductions allowed’ for ‘the deductions allowed’, and ‘adjusted gross income’ for ‘gross income’. Subsec. (i)(5)(A). Pub. L. 100-647, Sec. 1014(e)(6), substituted ‘custodial parent (within the meaning of section 152(e))’ for ‘custodial parent’. Subsec. (i)(7). Pub. L. 100-647, Sec. 6006(a), added par. (7).

1986 — Subsecs. (a) to (e). Pub. L. 99-514, Sec. 101(a), in amending subsecs. (a) to (e) generally, substituted a general tax table for tax tables (1), (2), and (3) in each subsec. applicable to taxable years beginning in 1982, 1983, and after 1983, respectively.

Subsec. (f). Pub. L. 99-514, Sec. 101(a), in amending subsec. (f) generally, in par. (1) substituted ‘1988,’ for ‘1984’ and struck out ‘paragraph (3) of’ before ‘subsections’, in par. (2) struck out ‘paragraph (3) of’ before ‘subsection’ in introductory provisions, substituted subpars. (A) to (C) for former subpars. (A) to (C) which read as follows: ‘ (A) by increasing - ‘ (i) the maximum dollar amount on which no tax is imposed under such table, and ‘ (ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the cost-of-living adjustment for such calendar year, ‘ (B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and ‘ (C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.’, and struck out concluding provisions which read as follows: ‘If any increase determined under subparagraph (A) is not a multiple of \$10, such increase shall be rounded to the nearest multiple of \$10 (or if such increase is a multiple of \$5, such increase shall be increased to the next highest multiple of \$10).’, in par. (3) (B) substituted ‘1987’ for ‘1983’, in par. (4) substituted ‘August 31’ for ‘September 30’, in par. (5) inserted requirement that the Consumer Price Index most consistent with such Index for calendar year 1986 be used, and added par. (6). Subsecs. (g), (h). Pub. L. 99-514, Sec. 101(a), in amending section generally, added subsecs. (g) and (h). Subsec. (i). Pub. L. 99-514, Sec. 1411(a), added subsec. (i). Subsec. (j). Pub. L. 99-514, Sec. 302(a), added subsec. (j).

1982 — Subsecs. (d), (e). Pub. L. 97-448, Sec. 101(a)(3), set out as a note below, provided for amendment of the tables applying to married individuals filing separately or to estates and trusts so as to correct any figure differing by not more than 50 cents from the correct amount under the formula used in constructing such

table. Corrections to the tables in subsecs. (d) and (e) appeared in *Announcement 83-50* contained in Internal Revenue Bulletin No. 1983-12 of Mar. 21, 1983.

1981 — Subsecs. (a) to (e). Pub. L. 97-34, Sec. 101(a), generally revised tax tables downward providing for cumulative across-the-board reductions of 23 percent on a three phase schedule under which different new rates were set for taxable years beginning in 1982, for taxable years beginning in 1983, and for taxable years beginning after 1983. Subsec. (f). Pub. L. 97-34, Sec. 104(a), added subsec. (f).

1978 — Subsec. (a). Pub. L. 95-600 generally made a downward revision of tax table for married individuals filing joint returns and surviving spouses resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$3,400 or less was substituted for a bottom bracket imposing no tax on taxable income of \$3,200 or less. Subsec. (b). Pub. L. 95-600 generally made a downward revision of tax table for heads of household resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$2,300 or less was substituted for a bottom bracket imposing no tax on taxable income of \$2,200 or less. Subsec. (c). Pub. L. 95-600 generally made a downward revision of tax table for unmarried individuals other than surviving spouses and heads of households resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$2,300 or less was substituted for a bottom bracket imposing no tax on taxable income of \$2,200 or less. Subsec. (d). Pub. L. 95-600 generally made a downward revision of tax tables for married individuals filing separate returns resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$1,700 or less was substituted for a bottom bracket imposing no tax on taxable income of \$1,600 or less. Subsec. (e). Pub. L. 95-600 generally made a downward revision of tax tables for estates and trusts resulting in a table under which, among other changes, a bottom bracket under which a tax of 14% is imposed on taxable income of \$1,050 for a bottom bracket under which a tax of 14% was imposed on taxable income of \$500 or less.

1977 — Subsec. (a). Pub. L. 95-30 generally made a downward revision of tax table for married individuals filing joint returns and surviving spouses resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$3,200 or less was substituted for a bottom bracket under which a tax of 14% had been imposed on a taxable income of \$1,000 or less. Subsec. (b). Pub. L. 95-30 generally made a downward revision of tax table for heads of households resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$2,200 or less was substituted for a bottom bracket under which a tax of 14% had been imposed on a taxable income of \$1,000 or less. Subsec. (c). Pub. L. 95-30 generally made a downward revision of tax table for unmarried individuals other than surviving spouses and heads of households resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$2,200 or less was substituted for a bottom bracket under which a tax of 14% had been imposed on a taxable income of \$500 or less. Subsec. (d). Pub. L. 95-30 generally made a downward revision of tax table for married individuals filing separate returns resulting in a table under which, among other changes, a bottom bracket imposing no tax on taxable income of \$1,600 or less was substituted for a bottom bracket under which a tax of 14% had been imposed on a taxable income of \$500 or less. Provisions making table applicable to estates and trusts were struck out. See subsec. (e). Subsec. (e). Pub. L. 95-30 added subsec. (e) consisting of table formerly contained in subsec. (d) but without any downward revision and limited so as to apply only to estates and trusts.

1969 — Subsec. (a). Pub. L. 91-172 substituted a table of rates of tax for married individuals filing joint returns and surviving spouses for the tables of rates of tax on individuals. For rates of taxes on unmarried individuals and married persons filing separate returns, see subsecs. (c) and (d) of this section.

Subsec. (b). Pub. L. 91-172 generally revised rates of tax of heads of household downwards and struck out provisions defining head of household, determination of status, and limitations. For definition of head of household, determination of status, and limitations, see section 2(b) of this title.

Subsec. (c). Pub. L. 91-172 substituted rates of tax on unmarried individuals (other than surviving spouses and heads of household) for special rules explaining the rates of tax imposed under former subsecs. (a) and (b)(1) and prescribing a maximum limit of 87 percent of the taxable year.

Subsec. (d). Pub. L. 91-172 substituted a table of rates of tax for married individuals filing separate returns for provision prescribing the applicability of the rates to non-resident aliens. For applicability of rates of tax to non-resident aliens, see section 2(d) of this title.

Subsec. (e). Pub. L. 91-172 struck out cross reference to section 63. See section 2(e) of this title.

1966 — Subsecs. (d), (e). Pub. L. 89-809 added subsec. (d) and redesignated former subsec. (d) as (e).

1964 — Pub. L. 88-272 amended section generally by splitting the former first bracket which started at \$2,000 into four new brackets, the 14 percent bracket representing a 30 percent reduction, the 15 percent bracket a 25 percent cut, and the 16 percent bracket a 20 percent cut, and reducing all other brackets by cuts averaging about 20 percent and effectuated these cuts in two steps, one in 1964, and one in 1965.

EFFECTIVE DATE OF 2019 AMENDMENT

Amendment by Pub. L. 116-94, Div. O, Sec. 501(a), effective for taxable years beginning after December 31, 2019.

EFFECTIVE DATE OF 2017 AMENDMENTS

Amendment by Pub. L. 115-97, Sec. 11001(a), effective for taxable years beginning after December 31, 2017.

Amendments by Pub. L. 115-97, Sec. 11002, effective for taxable years beginning after December 31, 2017.

Amendments by Pub. L. 115-97, Sec. 14223(a), effective for dividends received after the date of enactment of this Act.

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295, Div. A, Sec. 221(a)(1), effective on the date of the enactment of this Act [Enacted: Dec. 19, 2014].

Section 221(b)(2) of Pub. L. 113-295, Div. A, provided the following Savings Provision:

“(2) SAVINGS PROVISION.—If—

“(A) any provision amended or repealed by the amendments made by this section applied to—

“(i) any transaction occurring before the date of the enactment of this Act [Enacted: Dec. 19, 2014],

“(ii) any property acquired before such date of enactment, or

“(iii) any item of income, loss, deduction, or credit taken into account before such date of enactment, and

“(B) the treatment of such transaction, property, or item under such provision would (without regard to the amendments or repeals made by this section) affect the liability for tax for periods ending after date of enactment, nothing in the amendments or repeals made by this section shall be construed to affect the treatment of such transaction, property, or item for purposes of determining liability for tax for periods ending after such date of enactment.”

EFFECTIVE DATE OF 2013 AMENDMENTS

Amendments by Sec. 101(b) of Pub. L. 112-240 effective for taxable years beginning after December 31, 2012.

Amendments by Sec. 102(b) of Pub. L. 112-240 effective for taxable years beginning after December 31, 2012.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Sec. 101(f)(2) of Pub. L. 110-185 effective on the date of the enactment of this Act [Enacted: Feb. 13, 2008].

EFFECTIVE DATE OF 2007 AMENDMENTS

Amendments by Sec. 8241 of Pub. L. 110-28 effective for taxable years beginning after the date of the enactment of this Act [Enacted: May 25, 2007].

EFFECTIVE DATE OF 2006 AMENDMENTS

Amendments by Sec. 510 of Pub. L. 109-222 effective for taxable years beginning after December 31, 2005.

EFFECTIVE DATE OF 2004 AMENDMENTS

Amendments by Sec. 413(c)(1) of Pub. L. 108-357 effective for taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

Amendments by Sec. 101 of Pub. L. 108-311 effective for taxable years beginning after 2003.

Amendments by Sec. 402(a) of Pub. L. 108-311 effective as if included in Section 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Amendments by Sec. 408 of Pub. L. 108-311 effective on the date of the enactment of this Act [Enacted: Oct. 4, 2004].

EFFECTIVE DATE OF 2003 AMENDMENTS

Amendments by Sec. 102 of Pub. L. 108-27 effective for taxable years beginning after December 31, 2002.

Amendments by Sec. 104 of Pub. L. 108-27 effective for taxable years beginning after December 31, 2002.

Sec. 104(c)(2) provides that: “The Secretary of the Treasury shall modify each table which has been prescribed under section 1(f) of the Internal Revenue Code of 1986 for taxable years beginning in 2003 and which relates to the amendment made by subsection (a) to reflect such amendment.”

Amendments by Sec. 105 of Pub. L. 108-27 effective for taxable years beginning after December 31, 2002.

Sec. 107 of Pub. L. 108-27 provided that:

“SEC. 107. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.

“Each amendment made by this title shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16] to the same extent and in the same manner as the provision of such Act to which such amendment relates.” Note that Pub. L. 112-240, Sec. 101(a)(1), struck Title IX of

Pub. L. 107-16 effective for taxable, plan, or limitation years beginning after Dec. 31, 2012, and estates of decedents dying, gifts made, or generation skipping transfers after Dec. 31, 2012.

Amendments by Sec. 301 of Pub. L. 108-27 effective for taxable years ending on or after May 6, 2003.

Sec. 301(c) of Pub. L. 108-27 provided the following transitional rules:

“(c) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE MAY 6, 2003.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes May 6, 2003—

“(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

“(A) 5 percent of the lesser of—

“(i) the net capital gain determined by taking into account only gain or loss properly taken into account for the portion of the taxable year on or after May 6, 2003 (determined without regard to collectibles gain or loss, gain described in section 1(h)(6)(A)(i) of such Code, and section 1202 gain), or—

“(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection),

“(B) 8 percent of the lesser of—

“(i) the qualified 5-year gain (as defined in section 1(h)(9) of the Internal Revenue Code of 1986, as in effect on the day before the date of the enactment of this Act) properly taken into account for the portion of the taxable year before May 6, 2003, or

“(ii) the excess (if any) of—

“(I) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

“(II) the amount on which a tax is determined under subparagraph (A), plus

“(C) 10 percent of the excess (if any) of—

“(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

“(ii) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B).

“(2) The amount of tax determined under subparagraph (C) of section 1(h)(1) of such Code shall be the sum of—

“(A) 15 percent of the lesser of—

“(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

“(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

“(B) 20 percent of the excess (if any) of—

“(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

“(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

“(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

“(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and losses are properly taken into account shall be made at the entity level.

“(5) For purposes of applying section 1(h)(11) of such Code, as added by section 302 of this Act, to this subsection, dividends which are qualified dividend income shall be treated as gain properly taken into account for the portion of the taxable year on or after May 6, 2003.

“(6) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.”

Amendments by Sec. 302 of Pub. L. 108-27 effective for taxable years beginning after December 31, 2002. However, Sec. 302(f)(2), as amended by Pub. L. 108-311, Sec. 402(a)(6), provided that:

“(2) PASS-THRU ENTITIES.—In the case of a pass-thru entity described in subparagraph (A), (B), (C), (D), (E), or (F) of section 1(h)(10) of the Internal Revenue Code of 1986, as amended by this Act, the amendments made by this section shall apply to taxable years ending after December 31, 2002; except that dividends received by such an entity on or before such date shall not be treated as qualified dividend income (as defined in section 1(h)(11)(B) of such Code, as added by this Act).”

Sec. 303 (Sunset of Title) of Pub. L. 108-27, as amended by Pub. L. 109-222, Sec. 102, and Pub. L. 111-312, Sec. 102, and struck by Pub. L. 112-240, Sec. 102(a) (effective for taxable years beginning after Dec. 31, 2012), provided that:

“All provisions of, and amendments made by, this title shall not apply to taxable years beginning after December 31, 2010, and the Internal Revenue Code of 1986 shall be applied and administered to such years as if such provisions and amendments had never been enacted.”

EFFECTIVE DATE OF 2001 AMENDMENTS

Section 101(d) of Pub. L. 107-16 provided that the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Section 301(d) of Pub. L. 107-16, as amended by Pub. L. 108-27, Sec. 103(b), provided that: “amendments made by this section shall apply to taxable years beginning after December 31, 2002.”

Section 302(c) of Pub. L. 107-16, as amended by Pub. L. 108-27, Sec. 102(b)(2), provided that:

“amendments made by this section shall apply to taxable years beginning after December 31, 2002.”

Section 901 (Sunset of Provisions of Act) of Pub. L. 107-16, as amended by Pub. L. 107-358 and Pub. L. 111-312, Sec. 101(a), and struck by Pub. L. 112-240, Sec. 101(a)(1) (effective for taxable, plan, or limitation years beginning after Dec. 31, 2012, and estates of decedents dying, gifts made, or generation skipping transfers after Dec. 31, 2012), provided that:

“(a) IN GENERAL.—All provisions of, and amendments made by, this Act shall not apply—

“(1) to taxable, plan, or limitation years beginning after December 31, 2012, or

“(2) in the case of title V, to estates of decedents dying, gifts made, or generation skipping transfers, after December 31, 2012.

“(b) APPLICATION OF CERTAIN LAWS.—The Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 shall be applied and administered to years, estates, gifts, and transfers described in subsection (a) as if the provisions and amendments described in subsection (a) had never been enacted.

“(c) EXCEPTION.—Subsection (a) shall not apply to section 803 (relating to no federal income tax on restitution received by victims of the Nazi regime or their heirs or estates).”

EFFECTIVE DATE OF 2000 AMENDMENTS

Section 117(c) of Pub. L. 106-554 provided that: “amendments made by this section shall apply to stock acquired after the date of the enactment of this Act [Enactment Date: Dec. 21, 2000].”

EFFECTIVE DATE OF 1998 AMENDMENTS

Section 4002(k) of Pub. L. 105-277 provided that: “amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.”

Section 5001(b)(1) of Pub. L. 105-206 provided that: “amendments made by this section shall apply to taxable years ending after December 31, 1997.”

Section 6024 of Pub. L. 105-206 provided that: “amendments made by this title [Sec. 6005] shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate [Effective Date for Pub. L. 105-34, Sec. 311: Taxable years ending after May 6, 1997].”

Section 6024 of Pub. L. 105-206 provided that: “amendments made by this title [Sec. 6007] shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate [Effective Date for Pub. L. 105-34, Sec. 507: Sales or exchanges after August 5, 1997].”

EFFECTIVE DATE OF 1997 AMENDMENT

Section 311(d)(1) of Pub. L. 105-34 provided that: “amendments made by this section shall apply to taxable years ending after May 6, 1997.

EFFECTIVE DATE OF 1996 AMENDMENT

Section 1704(m)(4) of Pub. L. 104-188 provided that: ‘The amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.’

EFFECTIVE DATE OF 1993 AMENDMENT

The amendments made by Sections 13201, 13202, and 13206(d)(2) of Pub. L. 103-66 shall apply to taxable years beginning after December 31, 1992.

EFFECTIVE DATE OF 1990 AMENDMENT

Section 11101(e) of Pub. L. 101-508 provided that: ‘The amendments made by this section (amending this section, sections 32, 41, 59, 63, 135, 151, 513, 691, 904, 6103, and 7518 of this title, and section 1177 of Title 46, Appendix, Shipping) shall apply to taxable years beginning after December 31, 1990.’ Section 11103(e) of Pub. L. 101-508 provided that: ‘The amendments made by this section (enacting section 68 of this title and amending this section and section 56 of this title) shall apply to taxable years beginning after December 31, 1990.’ Section 11104(c) of Pub. L. 101-508 provided that: ‘The amendments made by this section (amending this section and section 151 of this title) shall apply to taxable years beginning after December 31, 1990.’

EFFECTIVE DATE OF 1989 AMENDMENT

Section 7817 of Pub. L. 101-239 provided that: ‘Except as otherwise provided in this part (part I (Sec. 7811-7817) of subtitle H of title VII of Pub. L. 101-239, see Tables for classification), any amendment made by this part shall take effect as if included in the provision of the 1988 Act (Pub. L. 100-647) to which such amendment relates.’ Section 7831(g) of Pub. L. 101-239 provided that: ‘Any amendment made by this section (amending this section and sections 42, 406, 407, and 1250 of this title and provisions set out as notes under sections 141 and 263A of this title) shall take effect as if included in the provision of the Tax Reform Act of 1986 (Pub. L. 99-514) to which such amendment relates.’

EFFECTIVE DATE OF 1988 AMENDMENT

Section 1019 of title I of Pub. L. 100-647 provided that:

“(a) General Rule.—Except as otherwise provided in this title, any amendment made by this title [see Tables for classification], shall take effect as if included in the provision of the Reform Act [Pub. L. 99-514] to which such amendment relates.

“(b) Waiver of Estimated Tax Penalties.—No addition to tax shall be made under section 6654 or 6655 of the 1986 Code for any period before April 16, 1989 (March 16, 1989 in the case of a taxpayer subject to section 6655 of the 1986 Code) with respect to any underpayment to the extent such underpayment was created or increased by any provision of this title or title II [see Tables for classification].”

Section 6006(b) of Pub. L. 100-647 provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 1988.”

EFFECTIVE DATE OF 1986 AMENDMENT

Section 151 of title I of Pub. L. 99-514 provided that:

“(a) General Rule.—Except as otherwise provided in this section, the amendments made by this title [enacting section 67 of this title, amending sections 1, 3, 5, 15, 21, 32, 62, 63, 74, 85, 86, 102, 108, 117, 129, 151, 152, 164, 170, 172, 183, 213, 265, 274, 280A, 402, 441, 443, 527, 541, 613A, 642, 667, 861, 862, 901, 904, 1398, 1441, 2032A, 3121, 3231, 3306, 3401, 3402, 3507, 4941, 4945, 6012 to 6014, 6212, 6504, 6511, and 7871 of this title and section 409 of Title 42, The Public Health and Welfare, renumbering section 223 of this title as section 220 of this title, repealing sections 24, 221, 222, and 1301 to 1305 of this title, and enacting provisions set out as a note under section 32 of this title] shall apply to taxable years beginning after December 31, 1986.

“(b) Unemployment Compensation.—The amendment made by section 121 [amending section 85 of this title] shall apply to amounts received after December 31, 1986, in taxable years ending after such date.

“(c) Prizes and Awards.—The amendments made by section 122 [amending sections 74, 102, 274, 3121, 3231, 3306, 3401, 4941, and 4945 of this title and section 409 of Title 42, The Public Health and Welfare] shall apply to prizes and awards granted after December 31, 1986.

“(d) Scholarships.—The amendments made by section 123 [amending sections 74, 117, 1441, and 7871 of this title] shall apply to taxable years beginning after December 31, 1986, but only in the case of scholarships and fellowships granted after August 16, 1986.

“(e) Parsonage and Military Housing Allowances.—The amendment made by section 144 [amending section 265 of this title] shall apply to taxable years beginning before, on, or after, December 31, 1986.”

Section 302(b) of Pub. L. 99-514 provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 1986.”

Section 1411(c) of Pub. L. 99-514 provided that: “The amendments made by this section [amending sections 1 and 6103 of this title] shall apply to taxable years beginning after December 31, 1986.”

EFFECTIVE DATE OF 1983 AMENDMENT

Section 109 of title I of Pub. L. 97-448 provided that: “Except as otherwise provided in this title, any amendment made by this title [see Tables for classification] shall take effect as if it had been included in the provision of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34, Aug. 13, 1981, 95 Stat. 172] to which such amendment relates.”

EFFECTIVE DATE OF 1981 AMENDMENT

Section 101(f) (1) of Pub. L. 97-34, as amended by Pub. L. 97-448, title I, 101(a)(1), Jan. 12, 1983, 96 Stat. 2365, provided that: “The amendments made by subsections (a), (c), and (d) [amending sections 1, 3, 21, 55, 541, and 1304 of this title and repealing section 1348 of this title] shall apply to taxable years beginning after December 31, 1981; except that the amendment made by paragraph (3) of subsection (d) [amending section 21 of this title] shall apply to taxable years ending after December 31, 1981.”

Section 104(e) of Pub. L. 97-34 provided that: “The amendments made by this section [amending sections 1, 63, 151, 6012, and 6013 of this title] shall apply to taxable years beginning after December 31, 1984.”

EFFECTIVE DATE OF 1978 AMENDMENT

Section 101(f)(1) of Pub. L. 95-600 provided that: “The amendments made by subsections (a), (b), (c), and (d) [amending sections 63, 402, 1302, and 6012 of this title] shall apply to taxable years beginning after

December 31, 1978.”

EFFECTIVE DATE OF 1977 AMENDMENT

Section 106(a) of Pub. L. 95-30 provided that: “The amendments made by sections 101, 102, and 104 [amending sections 1, 3, 21, 42, 57, 63, 143, 161, 172, 211, 402, 441, 443, 511, 584, 613A, 641, 642, 667, 703, 861, 862, 873, 904, 911, 931, 1034, 1211, 1302, 6012, 6014, 6212, 6504, and 6654 of this title and repealing sections 36, 141, 142, 144, and 145 of this title] shall apply to taxable years beginning after December 31, 1976.”

EFFECTIVE DATE OF 1969 AMENDMENT

Section 803(f) of Pub. L. 91-172, as amended by Pub. L. 99-514, 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “The amendments made by subsections (a) [amending section 1 of this title], (b) [amending section 2 of this title], and (d) (other than paragraphs (1) and (8)) [amending sections 5, 511, 632, 641, 1347, and 6015 of this title] shall apply to taxable years beginning after December 31, 1970, except that section 2 (c) of the Internal Revenue Code of 1986 [formerly *I.R.C. 1954*] [section 2 (c) of this title], as amended by subsection (b), shall also apply to taxable years beginning after December 31, 1969. The amendments made by subsections (c) [amending section 3 of this title], (d) (1) [amending section 6014 of this title], and (d) (8) [amending section 1304 of this title] shall apply to taxable years beginning after December 31, 1969”.

EFFECTIVE DATE OF 1966 AMENDMENT

Section 103(n) of Pub. L. 89-809 provided that:

“(1) The amendments made by this section (other than the amendments made by subsections (h), (i), and (k)) [enacting section 877 of this title, amending sections 1, 116, 154, 871, 872, 873, 874, 875, 932, 6015, and 7701 of this title, renumbering section 877 as 878, and repealing section 1493 of this title] shall apply with respect to taxable years beginning after December 31, 1966.

“(2) The amendments made by subsection (h) [amending section 1441 of this title] shall apply with respect to payments made in taxable years of recipients beginning after December 31, 1966.

“(3) The amendments made by subsection (i) [amending section 1461 of this title] shall apply with respect to payments occurring after December 31, 1966.

“(4) The amendments made by subsection (k) [amending section 3401 of this title] shall apply with respect to remuneration paid after December 31, 1966.”

EFFECTIVE DATE OF 1964 AMENDMENT

Section 131 of Pub. L. 88-272, as amended by Pub. L. 99-514, 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “Except for purposes of section 21 of the Internal Revenue Code of 1986 [formerly *I.R.C. 1954*] (relating to effect of changes in rates during a taxable year), the amendments made by parts I and II of this title [amending sections 1, 2, 11, 37, 141, 144, 242, 821, 871, 963, 6016, 6074, 6154, 6212, 6504, and 6655 of this title] shall apply with respect to taxable years beginning after December 31, 1963.”

CREDIT FOR SICK LEAVE FOR CERTAIN SELF-EMPLOYED INDIVIDUALS

Sec. 9642 of Pub. L. 117-2 provided:

“SEC. 9642. CREDIT FOR SICK LEAVE FOR CERTAIN SELF-EMPLOYED INDIVIDUALS.

“(a) IN GENERAL.—In the case of an eligible self-employed individual, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year an amount equal to the qualified sick leave equivalent amount with respect to the individual.

“(b) ELIGIBLE SELF-EMPLOYED INDIVIDUAL.—For purposes of this section—

“(1) IN GENERAL.—The term “eligible self-employed individual” means an individual who—

“(A) regularly carries on any trade or business within the meaning of section 1402 of the Internal Revenue Code of 1986, and

“(B) would be entitled to receive paid leave during the taxable year pursuant to the Emergency Paid Sick Leave Act if—

“(i) the individual were an employee of an employer (other than himself or herself), and

“(ii) such Act applied after March 31, 2021.

“(2) RULES OF APPLICATION.—For purposes of paragraph (1)(B), in determining whether an individual would be entitled to receive paid leave under the Emergency Paid Sick Leave Act, such Act shall be applied —

“(A) by inserting “, the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and such employee has been exposed to COVID-19 or is unable to work pending the results of such test or diagnosis, or the employee is obtaining immunization related to COVID-19 or recovering from any injury, disability, illness, or condition related to such immunization” after “medical diagnosis” in section 5102(a)(3) of such Act, and

“(B) by applying section 5102(b)(1) of such Act separately with respect to each taxable year.

“(c) QUALIFIED SICK LEAVE EQUIVALENT AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term “qualified sick leave equivalent amount” means, with respect to any eligible self-employed individual, an amount equal to—

“(A) the number of days during the taxable year (but not more than 10) that the individual is unable to perform services in any trade or business referred to in section 1402 of the Internal Revenue Code of 1986 for a reason with respect to which such individual would be entitled to receive sick leave as described in subsection (b), multiplied by

“(B) the lesser of—

“(i) \$200 (\$511 in the case of any day of paid sick time described in paragraph (1), (2), or (3) of section 5102(a) of the Emergency Paid Sick Leave Act, applied with the modification described in subsection (b)(2)(A)) of this section, or

“(ii) 67 percent (100 percent in the case of any day of paid sick time described in paragraph (1), (2), or (3) of section 5102(a) of the Emergency Paid Sick Leave Act) of the average daily self-employment income of the individual for the taxable year.

“(2) AVERAGE DAILY SELF-EMPLOYMENT INCOME.—For purposes of this subsection, the term “average daily self-employment income” means an amount equal to—

“(A) the net earnings from self-employment of the individual for the taxable year, divided by

“(B) 260.

“(3) ELECTION TO USE PRIOR YEAR NET EARNINGS FROM SELFEMPLOYMENT INCOME.—In the case of an individual who elects (at such time and in such manner as the Secretary may provide) the application of this paragraph, paragraph (2)(A) shall be applied by substituting “the prior taxable year” for “the taxable year”.

“(4) ELECTION TO NOT TAKE DAYS INTO ACCOUNT.—Any day shall not be taken into account under paragraph (1)(A) if the eligible self-employed individual elects (at such time and in such manner as the Secretary may prescribe) to not take such day into account for purposes of such paragraph.

“(d) CREDIT REFUNDABLE.—

“(1) IN GENERAL.—The credit determined under this section shall be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A of chapter 1 of such Code.

“(2) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, any refund due from the credit determined under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

“(e) SPECIAL RULES.—

“(1) DOCUMENTATION.—No credit shall be allowed under this section unless the individual maintains such documentation as the Secretary may prescribe to establish such individual as an eligible self-employed individual.

“(2) DENIAL OF DOUBLE BENEFIT.—In the case of an individual who receives wages (as defined in section 3121(a) of the Internal Revenue Code of 1986) or compensation (as defined in section 3231(e) of such Code) paid by an employer which are required to be paid by reason of the Emergency Paid Sick Leave Act, the qualified sick leave equivalent amount otherwise determined under subsection (c) of this section shall be reduced (but not below zero) to the extent that the sum of the amount described in such subsection and in section 3131(b)(1) of such Code exceeds \$2,000 (\$5,110 in the case of any day any portion of which is paid sick time described in paragraph (1), (2), or (3) of section 5102(a) of the Emergency Paid Sick Leave Act).

“(f) APPLICATION OF SECTION.—Only days occurring during the period beginning on April 1, 2021, and ending on September 30, 2021, may be taken into account under subsection (c)(1)(A).

“(g) APPLICATION OF CREDIT IN CERTAIN POSSESSIONS.—

“(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

“(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary, under which such possession will promptly distribute such payments to its residents.

“(3) MIRROR CODE TAX SYSTEM.—For purposes of this section, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the

income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

“(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including—

“(1) regulations or other guidance to effectuate the purposes of this section, and

“(2) regulations or other guidance to minimize compliance and record-keeping burdens under this section.”

CREDIT FOR FAMILY LEAVE FOR CERTAIN SELF-EMPLOYED INDIVIDUALS

Sec. 9643 of Pub. L. 117-2 provided:

“SEC. 9643. CREDIT FOR FAMILY LEAVE FOR CERTAIN SELF-EMPLOYED INDIVIDUALS.

“(a) IN GENERAL.—In the case of an eligible self-employed individual, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year an amount equal to 100 percent of the qualified family leave equivalent amount with respect to the individual.

“(b) ELIGIBLE SELF-EMPLOYED INDIVIDUAL.—For purposes of this section—

“(1) IN GENERAL.—The term “eligible self-employed individual” means an individual who—

“(A) regularly carries on any trade or business within the meaning of section 1402 of the Internal Revenue Code of 1986, and

“(B) would be entitled to receive paid leave during the taxable year pursuant to the Emergency Family and Medical Leave Expansion Act if—

“(i) the individual were an employee of an employer (other than himself or herself),

“(ii) section 102(a)(1)(F) of the Family and Medical Leave Act of 1993 applied after March 31, 2021.

“(2) RULES OF APPLICATION.—For purposes of paragraph (1)(B), in determining whether an individual would be entitled to receive paid leave under the Emergency Family and Medical Leave Act—

“(A) section 110(a)(2)(A) of the Family and Medical Leave Act of 1993 shall be applied by inserting “or any reason for leave described in section 5102(a) of the Families First Coronavirus Response Act, or the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and such employee has been exposed to COVID-19 or is unable to work pending the results of such test or diagnosis, or the employee is obtaining immunization related to COVID-19 or recovering from any injury, disability, illness, or condition related to such immunization” after “public health emergency”, and

“(B) section 110(b) of such Act shall be applied—

“(i) without regard to paragraph (1) thereof, and

“(ii) by striking “after taking leave after such section for 10 days” in paragraph (2)(A) thereof.

“(c) QUALIFIED FAMILY LEAVE EQUIVALENT AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term “qualified family leave equivalent amount” means, with respect to any eligible self-employed individual, an amount equal to the product of—

“(A) the number of days (not to exceed 60) during the taxable year that the individual is unable to perform services in any trade or business referred to in section 1402 of the Internal Revenue Code of 1986 for a reason with respect to which such individual would be entitled to receive paid leave as described in subsection (b) of this section, multiplied by

“(B) the lesser of—

“(i) 67 percent of the average daily self-employment income of the individual for the taxable year, or

“(ii) \$200.

“(2) AVERAGE DAILY SELF-EMPLOYMENT INCOME.—For purposes of this subsection, the term “average daily self-employment income” means an amount equal to—

“(A) the net earnings from self-employment income of the individual for the taxable year, divided by

“(B) 260.

“(3) ELECTION TO USE PRIOR YEAR NET EARNINGS FROM SELFEMPLOYMENT INCOME.—In the case of an individual who elects (at such time and in such manner as the Secretary may provide) the application of this paragraph, paragraph (2)(A) shall be applied by substituting “the prior taxable year” for “the taxable year”.

“(4) COORDINATION WITH CREDIT FOR SICK LEAVE.—Any day taken into account in determining the qualified sick leave equivalent amount with respect to any eligible-self employed individual under section 9642 shall not be taken into account in determining the qualified family leave equivalent amount with respect to such individual under this section.

“(d) CREDIT REFUNDABLE.—

“(1) IN GENERAL.—The credit determined under this section shall be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A of chapter 1 of such Code.

“(2) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, any refund due from the credit determined under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

“(e) SPECIAL RULES.—

“(1) DOCUMENTATION.—No credit shall be allowed under this section unless the individual maintains such documentation as the Secretary may prescribe to establish such individual as an eligible self-employed individual.

“(2) DENIAL OF DOUBLE BENEFIT.—In the case of an individual who receives wages (as defined in section 3121(a) of the Internal Revenue Code of 1986) or compensation (as defined in section 3231(e) of such Code) paid by an employer which are required to be paid by reason of the Emergency Family and Medical Leave Expansion Act, the qualified family leave equivalent amount otherwise described in subsection (c) of this section shall be reduced (but not below zero) to the extent that the sum of the amount described in such subsection and in section 3132(b)(1) of such Code exceeds \$12,000.

“(3) REFERENCES TO EMERGENCY FAMILY AND MEDICAL LEAVE EXPANSION ACT.—Any reference in this section to the Emergency Family and Medical Leave Expansion Act shall be treated as including a reference to the amendments made by such Act.

“(f) APPLICATION OF SECTION.—Only days occurring during the period beginning on April 1, 2021 and ending on September 30, 2021, may be taken into account under subsection (c)(1)(A).

“(g) APPLICATION OF CREDIT IN CERTAIN POSSESSIONS.—

“(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

“(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary, under which such possession will promptly distribute such payments to its residents.

“(3) MIRROR CODE TAX SYSTEM.—For purposes of this section, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

“(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including—

“(1) regulations or other guidance to prevent the avoidance of the purposes of this section, and

“(2) regulations or other guidance to minimize compliance and record-keeping burdens under this section.”

ADJUSTMENTS FOR CONSUMER PRICE INDEX ERROR

Sec. 308(i) of Pub. L. 106-554 provided:

“(i) TAX PROVISIONS.—

“In the case of taxable years (and other periods) beginning after December 31, 2000, if any Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) reflects the CPI computation error for 1999—

“(1) the correct amount of such Index shall (in such manner and to such extent as the Secretary of the Treasury determines to be appropriate) be taken into account for purposes of such Code, and

“(2) tables prescribed under section 1(f) of such Code to reflect such correct amount shall apply in lieu of any tables that were prescribed based on the erroneous amount.”

AMENDMENTS RELATED TO SECTION 5001 OF 1998 ACT

Sec. 4002(i)(2) of Pub. L. 105-277 provided that:

“(2) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

“(i) gains and losses recognized directly by such company or trust, and

“(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

“(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

“(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 957(b)(30)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

“(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

“(I) the subparagraphs referred to in subparagraphs (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

“(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

“The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

“(ii) For purposes of clause (i), the term “qualified partnership” means, with respect to a regulated investment company, any partnership if—

“(I) the partnership is an investment company registered under the Investment Company Act of 1940.

“(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

“(III) the regulated investment company and the partnership have the same taxable year.

“(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

“(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

“(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.”

PROVISION RELATED TO SECTION 311 OF 1997 ACT

Sec. 4003(b) of Pub. L. 105-277, as amended by Pub. L. 106-554, Sec. 312(b), provided that:

“In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), (7)(A)(i)(II), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.”

ELECTION TO RECOGNIZE GAIN ON ASSETS HELD ON JANUARY 1, 2001

Section 311(e) of Pub. L. 105-34, as amended by Pub. L. 106-554, Sec. 314(c), provided that:

“(e) Election To Recognize Gain on Assets Held on January 1, 2001.—For purposes of the Internal Revenue Code of 1986—

“(1) In general.—A taxpayer other than a corporation may elect to treat—

“(A) any readily tradable stock (which is a capital asset) held by such taxpayer on January 1, 2001, and not sold before the next business day after such date, as having been sold on such next business day for an amount equal to its closing market price on such next business day (and as having been reacquired on such next business day for an amount equal to such closing market price), and

“(B) any other capital asset or property used in the trade or business (as defined in section 1231(b) of the Internal Revenue Code of 1986) held by the taxpayer on January 1, 2001, as having been sold on such date for an amount equal to its fair market value on such date (and as having been reacquired on such date for an amount equal to such fair market value).

“(2) Treatment of gain or loss.—

“(A) Any gain resulting from an election under paragraph (1) shall be treated as received or accrued on the date the asset is treated as sold under paragraph (1) and shall be recognized notwithstanding any provision of the Internal Revenue Code of 1986.

“(B) Any loss resulting from an election under paragraph (1) shall not be allowed for any taxable year.

“(3) Election.—An election under paragraph (1) shall be made in such manner as the Secretary of the Treasury or his delegate may prescribe and shall specify the assets for which such election is made. Such an election, once made with respect to any asset, shall be irrevocable. Such an election shall not apply to any asset which is disposed of (in a transaction in which gain or loss is recognized in whole or in part) before the

close of the 1-year period beginning on the date that the asset would have been treated as sold under such election.

“(4) Readily tradable stock.—For purposes of this subsection, the term “readily tradable stock” means any stock which, as of January 1, 2001, is readily tradable on an established securities market or otherwise.”

ELECTION TO PAY ADDITIONAL 1993 TAXES IN INSTALLMENTS

Section 13201 of Pub. L. 103-66 provided that:

“(1) In general.—

“At the election of the taxpayer, the additional 1993 taxes may be paid in 3 equal installments.

“(2) Dates for paying installments. —

“In the case of any tax payable in installments by reason of paragraph (1) —

“(A) the first installment shall be paid on or before the due date for the taxpayer's taxable year beginning in calendar year 1993,

“(B) the second installment shall be paid on or before the date 1 year after the date determined under subparagraph (A), and

“(C) the third installment shall be paid on or before the date 2 years after the date determined under subparagraph (A).

“For purposes of the preceding sentence, the term ‘due date’ means the date prescribed for filing the taxpayer's return determined without regard to extensions.

“(3) Extension without interest.—

“For purposes of section 6601 of the Internal Revenue Code of 1986, the date prescribed for the payment of any tax payable in installments under paragraph (1) shall be determined with regard to the extension under paragraph (1).

“(4) Additional 1993 taxes. —

“(A) In general. —

“For purposes of this subsection, the term ‘additional 1993 taxes’ means the excess of —

“(i) the taxpayer's net chapter 1 liability as shown on the taxpayer's return for the taxpayer's taxable year beginning in calendar year 1993, over

“(ii) the amount which would have been the taxpayer's net chapter 1 liability for such taxable year if such liability had been determined using the rates which would have been in effect under section 1 of the Internal Revenue Code of 1986 for taxable years beginning in calendar year 1993 but for the amendments made by this section and section 13202 and such liability had otherwise been determined on the basis of the amounts shown on the taxpayer's return.

“(B) Net chapter 1 liability. —

“For purposes of subparagraph (A), the term ‘net chapter 1 liability’ means the liability for tax under chapter 1 of the Internal Revenue Code of 1986 determined —

“(i) after the application of any credit against such tax other than the credits under sections 31 and 34, and

“(ii) before crediting any payment of estimated tax for the taxable year.

“(5) Acceleration of payments. —

“If the taxpayer does not pay any Installment under this section on or before the date prescribed for its payment or if the Secretary of the Treasury or his delegate believes that the collection of any amount payable in installments under this section is in jeopardy, the Secretary shall immediately terminate the extension under paragraph (1) and the whole of the unpaid tax shall be paid on notice and demand from the Secretary.

“(6) Election on return. —

“An election under paragraph (1) shall be made on the taxpayer's return for the taxpayer's taxable year beginning in calendar year 1993.

“(7) Exception for estates and trusts. —

“This subsection shall not apply in the case of an estate or trust.”

Transitional Rule for Maximum Capital Gains Rate

Section 302(c) of Pub. L. 99-514 which related to long-term capital gain on rights to royalties paid under particular leases and assignments, was repealed by Pub. L. 100-647, title I, 1003(b)(1), Nov. 10, 1988, 102 Stat. 3382.

Coordination of Subtitle G of Title XI of Pub. L. 101-508 With Other Subtitles of Title XI

Section 11700 of Pub. L. 101-508 provided that: ‘For purposes of applying the amendments made by any subtitle (subtitles A to F (Sec. 11101-11622) and H and I (Sec. 11801-11901) of title XI of Pub. L. 101-508, see Tables for classification) of this title other than this subtitle (subtitle G (Sec. 11700-11704) of title XI of Pub. L. 101-508, see Tables for classification), the provisions of this subtitle shall be treated as having been enacted immediately before the provisions of such other subtitles.’

Coordination of Subtitle H of Title VII of Pub. L. 101-239 With Other Subtitles of Title VII

Section 7801(b) of Pub. L. 101-239 provided that: ‘For purposes of applying the amendments made by any subtitle (subtitles A to G (Sec. 7101-7743) of title VII of Pub. L. 101-239, see Tables for classification) of this title other than this subtitle (subtitle H (Sec. 7801-7894) of title VII of Pub. L. 101-239, see Tables for classification), the provisions of this subtitle shall be treated as having been enacted immediately before the provisions of such other subtitles.’

Transitional Rule for Maximum Capital Gains Rate

Section 302(c) of Pub. L. 99-514 which related to long-term capital gain on rights to royalties paid under particular leases and assignments, was repealed by Pub. L. 100-647, title I, Sec. 1003(b)(1), Nov. 10, 1988, 102 Stat. 3382.

Coordination of Title XVIII of Pub. L. 99-514 With Other Titles of Pub. L. 99-514

Section 1800 of title XVIII of Pub. L. 99-514 provided that: “For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title [see Tables for classification] shall be treated as having been enacted immediately before the provisions of such other titles.”

Coordination With Other Provisions

Pub. L. 99-509, title VIII, 8081, Oct. 21, 1986, 100 Stat. 1965, provided that: “Nothing in any provision of this Act [see Tables for classifications] (other than this title) shall be construed as—

“(1) imposing any tax (or exempting any person or property from any tax),

“(2) establishing any trust fund, or

“(3) authorizing amounts to be expended from any trust fund.”

[S. Con. Res. 174, agreed to Oct. 18, 1986, provided: “That, in the enrollment of the bill (H.R. 5300) to provide for reconciliation pursuant to section 2 of the concurrent resolution on the budget for fiscal year 1987, the Clerk of the House of Representatives shall insert at the end of section 8081 of the bill the following: Paragraph (3) shall not apply to any authorization made by title IX of this Act.” As a result of clerical error, the sentence was inserted at the end of section 8101 of the bill, and appears at the end of section 8101 of Pub. L. 99-509, 100 Stat. 1967.]

Pub. L. 99-499, title V, 531, Oct. 17, 1986, 100 Stat. 1782, provided that: “Notwithstanding any provision of this Act [see Tables for classifications] not contained in this title [see Short Title of 1986 Amendment note above], any provision of this Act (not contained in this title) which—

“(1) imposes any tax, premium, or fee,

“(2) establishes any trust fund, or

“(3) authorizes amounts to be expended from any trust fund, shall have no force or effect.”

Elimination of 50-Cent Rounding Errors

Section 101(a)(3) of Pub. L. 97-448, as amended by Pub. L. 99-514, 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “If any figure in any table—

“(A) which is set forth in section 1 of the Internal Revenue Code of 1986 [formerly *I.R.C. 1954*] (as amended by section 101 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34, title I, 101, Aug. 13, 1981, 95 Stat. 176], and

“(B) which applies to married individuals filing separately or to estates and trusts, differs by not more than 50 cents from the correct amount under the formula used in constructing such table, such figure is hereby corrected to the correct amount.” [See 1982 Amendment note above.]

Policy With Respect to Additional Tax Reductions

Section 3 of Pub. L. 95-600 provided that: “As a matter of national policy the rate of growth in Federal outlays, adjusted for inflation, should not exceed 1 percent per year between fiscal year 1979 and fiscal year 1983; Federal outlays as a percentage of gross national product should decline to below 21 percent in fiscal year 1980, 20.5 percent in fiscal year 1981, 20 percent in fiscal year 1982 and 19.5 percent in fiscal year 1983; and the Federal budget should be balanced in fiscal years 1982 and 1983. If these conditions are met, it is the intention that the tax-writing committees of Congress will report legislation providing significant tax reductions for individuals to the extent that these tax reductions are justified in the light of prevailing and expected economic conditions.”

Effective Date of Certain Definitions and Designations

Pub. L. 94-455, title XIX, 1908, Oct. 4, 1976, 90 Stat. 1836, provided that: “For purposes of any amendment made by any provision of this Act [see Tables for classification] (other than this title)—

“(1) which contains a term the meaning of which is defined in or modified by any provision of this title, and

“(2) which has an effective date earlier than the effective date of the provision of this title defining or modifying such term, that definition or modification shall be considered to take effect as of such earlier effective date.”

Congressional Declaration Relating to 1975 Amendment

Pub. L. 94-164, 1A, Dec. 23, 1975, 89 Stat. 970, provided that:

“(a) Congress is determined to continue the tax reduction for the first 6 months of 1976 in order to assure continued economic recovery.

“(b) Congress is also determined to continue to control spending levels in order to reduce the national deficit.

“(c) Congress reaffirms its commitments to the procedures established by the Congressional Budget and Impoundment Control Act of 1974 [see Tables for classification of Pub. L. 93-344, July 12, 1974, 88 Stat. 297] under which it has already established a binding spending ceiling for the fiscal year 1976.

“(d) If the Congress adopts a continuation of the tax reduction provided by this Act [see Short Title of 1975 Amendment note above] beyond June 30, 1976, and if economic conditions warrant doing so, Congress shall provide, through the procedures in the Budget Act [Pub. L. 93-344], for reductions in the level of spending in the fiscal year 1977 below what would otherwise occur, equal to any additional reduction in taxes (from the 1974 tax rate levels) provided for the fiscal year 1977: Provided, however, That nothing shall preclude the right of the Congress to pass a budget resolution containing a higher or lower expenditure figure if the Congress concludes that this is warranted by economic conditions or unforeseen circumstances.”

Congressional Declaration Relating to 1964 Amendment

Pub. L. 88-272, 1, Feb. 26, 1964, 78 Stat. 19, provided that: “It is the sense of Congress that the tax reduction provided by this Act [see Short Title of 1964 Amendment note above] through stimulation of the economy, will, after a brief transitional period, raise (rather than lower) revenues and that such revenue increases should first be used to eliminate the deficits in the administrative budgets and then to reduce the public debt. To further the objective of obtaining balanced budgets in the near future, Congress by this action, recognizes the importance of taking all reasonable means to restrain Government spending and urges the President to declare his accord with this objective.”

Bloomberg

Tax

MORE INFORMATION

- [About Us](#)
- [Contact Us](#)

24 / 7 Help Desk

- 1-833-697-9559
- help@bloombergtax.com

[Copyright](#) © 2023 Bloomberg Industry Group, Inc. All Rights Reserved

- [Terms & Conditions](#)
- [Privacy Policy](#)
- [Bloomberg.com](#)
- [Accessibility](#)