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Sec. 23. Adoption Expenses

Editor's Note: Section 23 was redesignated as Section 36C and modified by Pub. L. 111-148, Sec. 10909, effective for taxable years beginning after December 31, 2009. Pub. L. 111-148, Sec. 10909(c), applied the EGTRRA sunset to Section 36C and delayed the sunset, extending the application of Section 36C through taxable years beginning after Dec. 31, 2010. Pub. L. 111-312, Sec. 101(b), amended Pub. L. 111-148, Sec. 10909(c), to sunset Section 36C and resume application of Section 23 for taxable years beginning after December 31, 2011.

I.R.C. § 23(a) Allowance Of Credit

I.R.C. § 23(a)(1) In General —

In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.

I.R.C. § 23(a)(2) Year Credit Allowed —

The credit under paragraph (1) with respect to any expense shall be allowed—

I.R.C. § 23(a)(2)(A) —

in the case of any expense paid or incurred before the taxable year in which such adoption becomes final, for the taxable year following the taxable year during which such expense is paid or incurred, and

I.R.C. § 23(a)(2)(B) —

in the case of an expense paid or incurred during or after the taxable year in which such adoption becomes final, for the taxable year in which such expense is paid or incurred.

I.R.C. § 23(a)(3) \$10,000 Credit For Adoption Of Child With Special Needs Regardless Of Expenses —

In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of \$10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.

I.R.C. § 23(b) Limitations

I.R.C. § 23(b)(1) Dollar Limitation —

The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed \$10,000.

I.R.C. § 23(b)(2) Income Limitation

I.R.C. § 23(b)(2)(A) In General —

The amount allowable as a credit under subsection (a) for any taxable year (determined without regard to subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

I.R.C. § 23(b)(2)(A)(i) —

the amount (if any) by which the taxpayer's adjusted gross income exceeds \$150,000, bears to

I.R.C. § 23(b)(2)(A)(ii) —

\$40,000.

I.R.C. § 23(b)(2)(B) Determination Of Adjusted Gross Income —

For purposes of subparagraph (A), adjusted gross income shall be determined without regard to sections 911, 931, and 933.

I.R.C. § 23(b)(3) Denial Of Double Benefit

I.R.C. § 23(b)(3)(A) In General —

No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

I.R.C. § 23(b)(3)(B) Grants —

No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

I.R.C. § 23(c) Carryforwards Of Unused Credit

I.R.C. § 23(c)(1) In General —

If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

I.R.C. § 23(c)(2) Limitation —

No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

I.R.C. § 23(d) Definitions —

For purposes of this section—

I.R.C. § 23(d)(1) Qualified Adoption Expenses —

The term “qualified adoption expenses” means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

I.R.C. § 23(d)(1)(A) —

which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer,

I.R.C. § 23(d)(1)(B) —

which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement,

I.R.C. § 23(d)(1)(C) —

which are not expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse, and

I.R.C. § 23(d)(1)(D) —

which are not reimbursed under an employer program or otherwise.

I.R.C. § 23(d)(2) Eligible Child —

The term “eligible child” means any individual who—

I.R.C. § 23(d)(2)(A) —

has not attained age 18, or

I.R.C. § 23(d)(2)(B) —

is physically or mentally incapable of caring for himself.

I.R.C. § 23(d)(3) Child With Special Needs —

The term “child with special needs” means any child if—

I.R.C. § 23(d)(3)(A) —

a State has determined that the child cannot or should not be returned to the home of his parents,

I.R.C. § 23(d)(3)(B) —

such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, and

I.R.C. § 23(d)(3)(C) —

such child is a citizen or resident of the United States (as defined in section 217(h)(3)).

I.R.C. § 23(e) Special Rules For Foreign Adoptions —

In the case of an adoption of a child who is not a citizen or resident of the United States (as defined in section 217(h)(3))—

I.R.C. § 23(e)(1) —

subsection (a) shall not apply to any qualified adoption expense with respect to such adoption unless such adoption becomes final, and

I.R.C. § 23(e)(2) —

any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

I.R.C. § 23(f) Filing Requirements

I.R.C. § 23(f)(1) Married Couples Must File Joint Returns —

Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

I.R.C. § 23(f)(2) Taxpayer Must Include TIN

I.R.C. § 23(f)(2)(A) In General —

No credit shall be allowed under this section with respect to any eligible child unless the taxpayer includes (if known) the name, age, and TIN of such child on the return of tax for the taxable year.

I.R.C. § 23(f)(2)(B) Other Methods —

The Secretary may, in lieu of the information referred to in subparagraph (A), require other information meeting the purposes of subparagraph (A), including identification of an agent assisting with the adoption.

I.R.C. § 23(g) Basis Adjustments —

For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

I.R.C. § 23(h) Adjustments For Inflation —

In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a) (3) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

I.R.C. § 23(h)(1) —

such dollar amount, multiplied by

I.R.C. § 23(h)(2) —

the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2001” for “calendar year 2016” in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of \$10, such amount shall be rounded to the nearest multiple of \$10.

I.R.C. § 23(i) Regulations —

Editor's Note: Section 23 was redesignated as Section 36C and modified by Pub. L. 111-148, Sec. 10909, effective for taxable years beginning after December 31, 2009. Pub. L. 111-148, Sec. 10909(c), applied the EGTRRA sunset to Section 36C and delayed the sunset, extending the application of Section 36C through taxable years beginning after Dec. 31, 2010. Pub. L. 111-312, Sec. 101(b), amended Pub. L. 111-148, Sec. 10909(c), to sunset Section 36C and resume application of Section 23 for taxable years beginning after December 31, 2011.

The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar amounts in subsections (a)(3) and (b)(1) of this section and in section 137(b)(1).

(Added by Pub. L. 104-188, title I, 1807(a), Aug. 20, 1996, 110 Stat. 1755; revised Pub. L. 105-34, title XVI, Sec. 1601(h)(2), Aug. 5, 1997, 111 Stat. 788; Pub. L. 105-206, title VI, Sec. 6008(d)(6), 6018(f)(1), July 22, 1998, 112 Stat. 685; Pub. L. 107-16, title II, Sec. 201, 202, June 7, 2001, 115 Stat. 38; Pub. L. 107-147, title IV, Sec. 411, 418, Mar. 9, 2002, 116 Stat. 21; Pub. L. 109-58, title XIII, Sec. 1335(b)(1), Aug. 8, 2005, 119 Stat. 594; Pub. L. 109-135, title IV, Sec. 402(i)(3)(A)(i) and (ii), Dec. 21, 2005, 119 Stat. 2577; Pub. L. 110-343, Div. B, Sec. 106(e)(2)(A), Oct. 3, 2008, 122 Stat. 3765; redesignated Pub. L. 111-148, Sec. 10909, Mar. 23, 2010, 124 Stat. 119; Pub. L. 112-240, title I, Sec. 104(c)(2), Jan. 2, 2013, 126 Stat. 2313; Pub. L. 115-97, title I, Sec. 11002(d)(1)(A), Dec. 22, 2017, 131 Stat. 2054; Pub. L. 115-141, Div. U, title IV, Sec. 401(d)(4) (B)(i), Mar. 23, 2018, 132 Stat. 348.)

BACKGROUND NOTES

AMENDMENTS

2018 — Subsec. (c)(1). Pub. L. 115-141, Div. U, Sec. 401(d)(4)(B)(i), amended par. (1) by substituting “section 25D” for “sections 25D and 1400C”.

2017 — Subsec. (h)(2). Pub. L. 115-97, Sec. 11002(d)(1)(A), amended par. (2) by substituting “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B)”.

2013 - Subsec. (b)(4). Pub. L. 112-240, Sec. 104(c)(2)(A)(i), struck par. (4). Before being struck, it read as follows:

“(4) Limitation Based On Amount Of Tax.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—
“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over
“(B) the sum of the credits allowable under this subpart (other than this section and section 25D) and section 27 for the taxable year.”

Subsec. (c). Pub. L. 112-240, Sec. 104(c)(2)(A)(ii)-(iii), amended subsec. (c) by striking par. (1) and (2); by adding new par. (1); and by redesignating par. (3) as par. (2). Before being struck, par. (1) and (2) read as follows:

“(1) Rule For Years In Which All Personal Credits Allowed Against Regular And Alternative Minimum Tax.—In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 25D and 1400C), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.”

“(2) Rule For Other Years.— In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by subsection (b) (4) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.”

2010 - Pub. L. 111-148, Sec. 10909, amended Sec. 23 before redesignating it as Sec. 36C. For text of the amendments, effective for taxable years beginning after Dec. 31, 2009 (same effective date as the redesignation), see the background notes for Sec. 36C.

Sec. 23. Pub. L. 111-148, Sec. 10909(b), redesignated Sec. 23 as Sec. 36C.

2008 - Subsec. (b)(4)(B). Pub. L. 110-343, Div. B, Sec. 106(e)(2)(A), amended subpar. (B) by inserting “and section 25D” after “this section”.

2005 - Subsec. (b)(4). Pub. L. 109-135, Sec. 402(i)(3)(A)(i), amended par. (4) by substituting “In the case of a taxable year to which section 26(a)(2) does not apply, the credit” for “The credit” in the matter preceding subpar. (A).

Subsec. (c). Pub. L. 109-135, Sec. 402(i)(3)(A)(ii), amended subsec. (c). Before amendment, it read as follows:

“(c) Carryforwards of Unused Credit

“f the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 1400C), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year. No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.”

Subsec. (c). Pub. L. 109-58, Sec. 1335(b)(1), amended subsec. (c) by substituting “this section, section 25D, and section 1400C” for “this section and section 1400C”. Note that Pub. L. 109-135, Sec. 402(i)(4) struck Pub. L. 109-58, Sec. 1335(b)(1), effective as if the amendment never had been enacted.

2002 - Subsec. (a)(1). Pub. L. 107-147, Sec. 411(c)(1)(A), amended par. (1). Before amendment it read as presented below. [Editor's Note: The amendment by Pub. L. 107-147 made subsec. (a)(1) read as it had read before amendment by Pub. L. 107-16. Due to the effective date of the amendments, the amendment by Pub. L. 107-16 never took effect.]

“(1) IN GENERAL.--

“In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter--

“(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

“(B) in the case of an adoption of a child with special needs, \$10,000.”

Subsec. (a)(2). Pub. L. 107-147, Sec. 411(c)(1)(C), amended par. (2) by striking the last sentence. Before being struck it read as follows: “In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.”

Subsec. (a)(3). Pub. L. 107-147, Sec. 411(c)(1)(B), added par. (3).

Subsec. (b)(1). Pub. L. 107-147, Sec. 411(c)(1)(D), amended par. (1) by substituting “subsection (a)” for “subsection (a)(1)(A)”.

Subsec. (h). Pub. L. 107-147, Sec. 418(a)(1), amended subsec. (h) by substituting “subsection (a)(3)” for “subsection (a)(1)(B)” and by adding the flush sentence at the end.

Subsec. (i). Pub. L. 107-147, Sec. 411(c)(1)(E), amended subsec. (i) by substituting “the dollar amounts in subsections (a)(3) and (b)(1)” for “the dollar limitation in subsection (b)(1)”.

2001 - Subsec. (a)(1). Pub. L. 107-16, Sec. 202(a)(1), amended par. (1). Before amendment it read as follows:

“(1) In general

“In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.”

Subsec. (a)(2). Pub. L. 107-16, Sec. 202(c), amended par. (2) by adding the flush sentence at the end.

Subsec. (b)(1). Pub. L. 107-16, Sec. 202(b)(1)(A), amended par. (1) by substituting “\$10,000” for “\$5,000”, by striking “(\$6,000, in the case of a child with special needs)” and by substituting “subsection (a)(1)(A)” for “subsection (a)”.

Subsec. (b)(2)(A)(i). Pub. L. 107-16, Sec. 202(b)(2)(A), amended clause (i) by substituting “\$150,000” for “\$75,000”.

Subsec. (b)(4). Pub. L. 107-16, Sec. 202(f)(1), added par. (4).

Subsec. (c). Pub. L. 107-16, Sec. 201(b)(2)(E), amended subsec. (c) by substituting “and sections 24 and 1400C” for “and section 1400C”.

Subsec. (c). Pub. L. 107-16, Sec. 202(f)(2)(A), amended subsec. (c) by substituting “subsection (b)(4)” for “section 26(a)” and by striking “reduced by the sum of the credits allowable under this subpart (other than this section and sections 24 and 1400C)”.

Subsec. (d)(2). Pub. L. 107-16, Sec. 202(d)(1), amended par. (2). Before amendment it read as follows:

“(2) Eligible child

“The term ‘eligible child’ means any individual--

“(A) who--

“(i) has not attained age 18, or

“(ii) is physically or mentally incapable of caring for himself, and

“(B) in the case of qualified adoption expenses paid or incurred after December 31, 2001, who is a child with special needs.”

Subsec. (h). Pub. L. 107-16, Sec. 202(e)(1), redesignated subsec. (h) as (i) and added a new subsec. (h).

1998 - Subsec. (b)(2). Pub. L. 105-206, Sec. 6018(f)(1), amended subpar. (A) by inserting “(determined without regard to subsection (c))” after “for any taxable year”.

Subsec. (c). Pub. L. 105-206, Sec. 6008(d)(6), amended subsec. (c) by inserting “and section 1400C” after “other than this section”.

1997 - Subsec. (a)(2). Pub. L. 105-34, Sec. 1601(h)(2)(A), amended subsec. (a)(2). Prior to amendment it read as follows:

“(2) Year credit allowed

The credit under paragraph (1) with respect to any expense shall be allowed--

“(A) for the taxable year following the taxable year during which such expense is paid or incurred, or

“(B) in the case of an expense which is paid or incurred during the taxable year in which the adoption becomes final, for such taxable year.”

Subsec. (b)(2)(B). Pub. L. 105-34, Sec. 1601(h)(2)(B), amended subsec. (b)(2)(B) by striking “determined--” and all that followed and replacing it with the above language. Prior to amendment it read as follows:

“determined--

“(i) without regard to sections 911, 931, and 933, and

“(ii) after the application of sections 86, 135, 137, 219, and 469.”

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-141, Div. U, Sec. 401(d)(4)(B)(i), effective March 23, 2018.

Sec. 401(d)(4)(C) of Pub. L. 115-141, Div. U, provided the following Savings Provision:

“(C) Savings Provision.—The amendments made by this paragraph shall not apply to—

“(i) in the case of the repeal of section 1400A of the Internal Revenue Code of 1986, obligations described in section 1394 of such Code (as in effect before its repeal) which were issued before January 1, 2012,

“(ii) in the case of the repeal of section 1400B of such Code, DC Zone assets (as defined in such section, as in effect before its repeal) which were acquired by the taxpayer before January 1, 2012, and

“(iii) in the case of the repeal of section 1400C of such Code, principal residences acquired before January 1, 2012.

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by Pub. L. 115-97, Sec. 11002(d)(1)(A), effective for taxable years beginning after December 31, 2017.

EFFECTIVE DATE OF 2013 AMENDMENTS

Amendments by Sec. 104(c)(2) of Pub. L. 112-240 effective for taxable years beginning after December 31, 2011.

EFFECTIVE DATE OF 2010 AMENDMENTS

Amendments by Sec. 10909 of Pub. L. 111-148 effective for taxable years beginning after December 31, 2009. Pub. L. 111-148, Sec. 10909(c), as amended by Pub. L. 111-312, Sec. 101(b)(1), provided that: “(c) SUNSET PROVISION.—Each provision of law amended by this section is amended to read as such provision would read if this section had never been enacted. The amendments made by the preceding sentence shall apply to taxable years beginning after December 31, 2011.”

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Sec. 106(e)(2)(A) of Div. B of Pub. L. 110-343 effective for taxable years beginning after December 31, 2007. Pub. L. 110-343, Div. B, Sec. 106(f)(3), provided that:

“(3) APPLICATION OF EGTRRA SUNSET.—The amendments made by subparagraphs (A) and (B) of subsection (e)(2) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16] in the same manner as the provisions of such Act to which such amendments relate.” 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.

EFFECTIVE DATE OF 2005 AMENDMENTS

Amendments by Sec. 402(i)(3)(A)(i) and (ii) of Pub. L. 109-135 effective for taxable years beginning after December 31, 2005. Pub. L. 109-135, Sec. 403(i)(3)(H), provided that:

“(H) APPLICATION OF EGTRRA SUNSET.—The amendments made by this paragraph (and each part thereof) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16] in the same manner as the provisions of such Act to which such amendment (or part thereof) 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.

Amendment by Sec. 1335(b)(1) of Pub. L. 109-58 effective for property placed in service after December 31, 2005, in taxable years ending after such date.

EFFECTIVE DATE OF 2002 AMENDMENTS

Section 411(c)(3) of Pub. L. 107-147 provided that: “The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002; except that the amendments made by paragraphs (1)(C), (1)(D), and (2)(B) shall apply to taxable years beginning after December 31, 2001.”

Amendment by Sec. 418(a)(1) of Pub. L. 107-147 effective as included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16, Sec. 202] to which they relate.

EFFECTIVE DATE OF 2001 AMENDMENTS

Amendment by Sec. 201(b) of Pub. L. 107-16 effective for taxable years beginning after December 31, 2001. However, Pub. L. 107-147, Sec. 601(b)(2), provided that the amendments made by Sec. 201(b) of Pub. L. 107-16 shall not apply to taxable years beginning during 2002 and 2003, and Pub. L. 108-311, Sec. 312(b)(2), provided that the amendments made by Sec. 201(b) of Pub. L. 107-16 shall not apply to taxable years beginning during 2004 and 2005.

Amendments by Sec. 202 of Pub. L. 107-16 effective for taxable years beginning after December 31, 2001, except for amendment by Sec. 202(a) of Pub. L. 107-16, which is effective for taxable years beginning after December 31, 2002. However, Pub. L. 107-147, Sec. 601(b)(2), provided that the amendments made by Sec. 202(f) of Pub. L. 107-16 shall not apply to taxable years beginning during 2002 and 2003, and Pub. L. 108-311, Sec. 312(b)(2), provided that the amendments made by Sec. 201(b) of Pub. L. 107-16 shall not apply to taxable years beginning during 2004 and 2005.

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).”

NOTE: Section 10909(c) of Pub. L. 111-148, as amended by Pub. L. 111-312, Sec. 101(b)(1), provided: “(c) Each provision of law amended by this section is amended to read as such provision would read if this section had never been enacted. The amendments made by the preceding sentence shall apply to taxable years beginning after December 31, 2011.”

EFFECTIVE DATE OF 1998 AMENDMENTS

Amendment by Sec. 6008(d)(6) of Pub. L. 105-206 effective as if included in the provisions of the Taxpayer Relief Act of 1997 to which it relates [Effective Date for Pub. L. 105-34, Title VII: August 5, 1997].

Amendment by Sec. 6018(f)(1) of Pub. L. 105-206 effective as if included in the provisions of the Small Business Job Protection Act of 1996 to which it relates [Effective Date for Pub. L. 104-188, Sec. 1807: Taxable years beginning after December 31, 1996].

EFFECTIVE DATE OF 1997 AMENDMENTS

Amendments by Sec. 1601(h)(2)(A) and (B) of Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996 to which it relates.

EFFECTIVE DATE

Effective for taxable years beginning after December 31, 1996.

CORRECTIONS TO CREDIT FOR ADOPTION

Section 411(c)(1)(F) of Pub. L. 107-147 provided that: “Expenses paid or incurred during any taxable year beginning before January 1, 2002, may be taken into account in determining the credit under section 23 of the Internal Revenue Code of 1986 only to the extent the aggregate of such expenses does not exceed the applicable limitation under section 23(b)(1) of such Code as in effect on the day before the date of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 [enacted: June 7, 2001].”

Prior Provisions

A prior section 23, Residential energy credit, Pub. L. 95-618, title I, Sec. 101(a), Nov. 9, 1978, 92 Stat. 3175, Sec. 44C; amended Pub. L. 96-223, title II, Sec. 201, 202(a)-(d), 203(a), Apr. 2, 1980, 94 Stat. 256, 258; renumbered Sec. 23 and amended Pub. L. 98-369, div. A, title IV, Sec. 471(c), 474(e), title VI, Sec. 612(e) (2), July 18, 1984, 98 Stat. 826, 831, 912, related to residential energy credit, repealed by Pub. L. 101-508, title XI, Sec. 11801(a)(1), Nov. 5, 1990, 104 Stat. 1388-520), effective for taxable years beginning after Dec. 31, 1986, see section 151(a) of Pub. L. 99-514, set out as an Effective Date of 1986 Amendment note under section 1 of this title.

[24. Repealed. Pub. L. 99-514, title I, 112(a), Oct. 22, 1986, 100 Stat. 2108]

Section, added Pub. L. 92-178, title VII, 701(a), Dec. 10, 1971, 85 Stat. 560, 41, and amended Pub. L. 93-625, 11(a)-(c), (e), 12(a), Jan. 3, 1975, 88 Stat. 2119, 2120; Pub. L. 94-455, title V, 503(b)(4), title XIX, 1901(b)(1)(B), (H)(ii), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1562, 1790, 1791, 1834; Pub. L. 95-600, title I, 113(c), Nov. 6, 1978, 92 Stat. 2778; Pub. L. 97-473, title II, 202(b)(1), Jan. 14, 1983, 96 Stat. 2609; Pub. L. 98-21, title I, 122(c)(1), Apr. 20, 1983, 97 Stat. 87; renumbered 24 and amended Pub. L. 98-369, div. A, title IV, 471(c), 474(f), July 18, 1984, 98 Stat. 826, 831, related to contributions to candidates for public office, repeal by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 151(a) of Pub. L. 99-514, set out as an Effective Date of 1986 Amendment note under section 1 of this title.

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