

“(2) has over 1,000 professional employees,
 “(3) used a long-term contract method of account-
 ing for a substantial part of its income from the per-
 formance of architectural and engineering services,
 and
 “(4) is headquartered in Chicago, Illinois.”

ELECTION AS TO TRANSFERS IN TAXABLE YEARS
 BEGINNING BEFORE JAN. 1, 1964

Pub. L. 88-272, title II, §223(c), Feb. 26, 1964, 78 Stat. 76, provided that:

“(1) The amendments made by subsection (a) [amend-
 ing this section and section 43 of the Internal Revenue
 Code of 1939] shall not apply to any transfer of money
 or other property described in subsection (a) made in a
 taxable year beginning before January 1, 1964, if the
 taxpayer elects, in the manner provided by regulations
 prescribed by the Secretary of the Treasury or his dele-
 gate, to have this paragraph apply. Such an election—

“(A) must be made within one year after the date
 of the enactment of this Act [Feb. 26, 1964],

“(B) may not be revoked after the expiration of
 such one-year period, and

“(C) shall apply to all transfers described in the
 first sentence of this paragraph (other than transfers
 described in paragraph (2)).

In the case of any transfer to which this paragraph ap-
 plies, the deduction shall be allowed only for the tax-
 able year in which the contest with respect to such
 transfer is settled.

“(2) Paragraph (1) shall not apply to any transfer if
 the assessment of any deficiency which would result
 from the application of the election in respect of such
 transfer is, on the date of the election under paragraph
 (1), prevented by the operation of any law or rule of
 law.

“(3) If the taxpayer makes an election under para-
 graph (1), and if, on the date of such election, the as-
 sessment of any deficiency which results from the ap-
 plication of the election in respect of any transfer is
 not prevented by the operation of any law or rule of
 law, the period within which assessment of such defi-
 ciency may be made shall not expire earlier than 2
 years after the date of the enactment of this Act [Feb.
 26, 1964].”

CERTAIN OTHER TRANSFERS IN TAXABLE YEARS
 BEGINNING BEFORE JAN. 1, 1964

Pub. L. 88-272, title II, §223(d), Feb. 26, 1964, 78 Stat. 77, provided that: “The amendments made by sub-
 section (a) [amending this section and section 43 of the
 Internal Revenue Code of 1939] shall not apply to any
 transfer of money or other property described in sub-
 section (a) made in a taxable year beginning before
 January 1, 1964, if—

“(1) no deduction has been allowed in respect of
 such transfer for any taxable year before the taxable
 year in which the contest with respect to such trans-
 fer is settled, and

“(2) refund or credit of any overpayment which
 would result from the application of such amend-
 ments to such transfer is prevented by the operation
 of any law or rule of law.

In the case of any transfer to which this subsection ap-
 plies, the deduction shall be allowed for the taxable
 year in which the contest with respect to such transfer
 is settled.”

[§ 462. Repealed. June 15, 1955, ch. 143, § 1(b), 69 Stat. 134]

Section, act Aug. 16, 1954, ch. 736 68A Stat. 158, relat-
 ed to reserves for estimated expenses.

EFFECTIVE DATE OF REPEAL

Repeal effective with respect to taxable years begin-
 ning after Dec. 31, 1953, and ending after Aug. 16, 1954,
 see section 3 of Act June 15, 1955, set out as an Effective
 Date of 1955 Amendment note under section 381 of this
 title.

SAVINGS PROVISION

For provisions concerning increase in tax in any tax-
 able year ending on or before June 15, 1955 by reason of
 enactment of act June 15, 1955, see section 4 of act June
 15, 1955, set out as a note under section 381 of this title.

[§ 463. Repealed. Pub. L. 100-203, title X, § 10201(a), Dec. 22, 1987, 101 Stat. 1330-387]

Section, added Pub. L. 93-625, §4(a), Jan. 3, 1974, 88
 Stat. 2109; amended Pub. L. 94-455, title XIX,
 §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-369,
 div. A, title V, §561(a), July 18, 1984, 98 Stat. 901; Pub.
 L. 99-514, title XI, §1165(a), Oct. 22, 1986, 100 Stat. 2511,
 related to deduction allowable for accrual basis tax-
 payers under section 162(a) of this title with respect to
 vacation pay.

EFFECTIVE DATE OF REPEAL

Repeal applicable to taxable years beginning after
 Dec. 31, 1987, see section 10201(c)(1) of Pub. L. 100-203,
 set out as an Effective Date of 1987 Amendment note
 under section 404 of this title.

CHANGE IN METHOD OF ACCOUNTING REQUIRED BY
 PUB. L. 100-203

Pub. L. 100-203, title X, §10201(c)(2), Dec. 22, 1987, 101
 Stat. 1330-388, provided that: “In the case of any tax-
 payer who elected to have section 463 of the Internal
 Revenue Code of 1986 apply for such taxpayer’s last tax-
 able year beginning before January 1, 1988, and who is
 required to change his method of accounting by reason
 of the amendments made by this section [amending
 sections 404, 419, and 461 of this title, repealing sections
 81 and 463 of this title, and enacting provisions set out
 as a note under section 404 of this title]—

“(A) such change shall be treated as initiated by
 the taxpayer,

“(B) such change shall be treated as having been
 made with the consent of the Secretary, and

“(C) the net amount of adjustments required by
 section 481 of such Code to be taken into account by
 the taxpayer—

“(i) shall be reduced by the balance in the sus-
 pense account under section 463(c) of such Code as
 of the close of such last taxable year, and

“(ii) shall be taken into account over the 4-tax-
 able year period beginning with the taxable year
 following such last taxable year as follows:

“In the case of the:	The percentage taken into account is:
1st year	25
2nd year	5
3rd year	35
4th year	35.

Notwithstanding subparagraph (C)(ii), if the period
 the adjustments are required to be taken into ac-
 count under section 481 of such Code is less than 4
 years, such adjustments shall be taken into account
 ratably over such shorter period.”

**§ 464. Limitations on deductions for certain farm-
ing**

(a) General rule

In the case of any farming syndicate (as de-
 fined in subsection (c)), a deduction (otherwise
 allowable under this chapter) for amounts paid
 for feed, seed, fertilizer, or other similar farm
 supplies shall only be allowed for the taxable
 year in which such feed, seed, fertilizer, or other
 supplies are actually used or consumed, or, if
 later, for the taxable year for which allowable as
 a deduction (determined without regard to this
 section).