

“(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:

<b>“In the case of the:</b>	<b>The percentage taken into account is:</b>
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).