

savings bonds to keep the bonds after maturity and continue to earn interest on them at rates that are consistent with the rate of investment yield provided by retirement and savings bonds.

(c) Section 3105(c)(1)–(5) of this title applies to this section. Sections 3105(c)(6) and (d) and 3126 of this title apply to this section to the extent consistent with this section. The Secretary may prescribe the maximum amount of retirement and savings bonds issued under this section in a year that may be held by one person. However, the maximum amount shall be at least \$3,000.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 941; Pub. L. 97–452, § 1(8), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 99–514, § 2, Oct. 22, 1986, 100 Stat. 2095.)

HISTORICAL AND REVISION NOTES  
1982 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3106(a) .....	31:757c-2(a)(1st sentence), (b)(1)(1st sentence), (c)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 22A(a)–(c)(1st sentence), (d); added Nov. 8, 1966, Pub. L. 89–800, § 5, 80 Stat. 1514.
3106(b) .....	31:757c-2(b)(1)(2d sentence words after 1st comma), (2).	
3106(c) .....	31:757c-2(a)(last sentence), (b)(1)(2d sentence words before 1st comma, 3d, last sentences), (d).	

In subsection (a), the words “In addition to the United States savings bonds authorized to be issued under section 757c of this title” are omitted as surplus. The words “through the United States Postal Service or otherwise” are omitted as surplus and unnecessary because of 39:411. The words “and may buy, redeem, and make refunds under section 3111 of this title” are added because of the restatement. The words “and to retire any outstanding obligations of the United States bearing interest or issued on a discount basis” are omitted as unnecessary because of section 3111 of the revised title. The words “as the terms thereof may provide” are omitted because of the restatement.

In subsection (b), the word “conditions” is substituted for “terms” for consistency in the revised title and with other titles of the United States Code. The words “by regulations” are omitted as unnecessary. The words “at their option” are omitted as surplus.

In subsection (c), the words “Section 3105(c)(1)–(5) of this title applies to this section” are substituted for 31:757c-2(a)(last sentence) and (b)(1)(2d sentence words before 1st comma, 3d sentence) to eliminate unnecessary words. The words “by regulations” are omitted as unnecessary.

1983 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3106(b) .....	31 App.:757c-2 (b)(1) (2d sentence).	Sept. 3, 1982, Pub. L. 97–248, § 289(a)(2), 96 Stat. 571.

AMENDMENTS

1986—Subsec. (a). Pub. L. 99–514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”.

1983—Subsec. (b). Pub. L. 97–452 struck out provisions that the issue price of retirement and savings bonds and the conditions under which they could be redeemed could give an investment yield of not more than 5 percent a year compounded semiannually.

§ 3107. Increasing interest rates and investment yields on retirement bonds

With the approval of the President, the Secretary of the Treasury may increase by regulation the interest rate or investment yield on an offering of bonds issued under this chapter that are described in sections 405(b) and 409(a) of the Internal Revenue Code of 1954 (26 U.S.C. 405(b), 409(a)), as in effect before the enactment of the Tax Reform Act of 1984. The increased yield shall be for interest accrual periods specified in the regulations so that the interest rate or investment yield on the bonds for those periods is consistent with the interest rate or investment yield on a new offering of those bonds.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 941; Pub. L. 98–369, div. A, title IV, § 491(d)(59), July 18, 1984, 98 Stat. 852.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3107 .....	31:752(last par.).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 1(last par.); added Dec. 24, 1980, Pub. L. 96–595, § 2(a), 94 Stat. 3465.

The words “interest rate” are added for consistency in the chapter and with 26:405(b) and 409(a).

REFERENCES IN TEXT

Sections 405(b) and 409(a) of the Internal Revenue Code of 1954 (26 U.S.C. 405(b), 409(a)), referred to in text, were repealed by Pub. L. 98–369, div. A, title IV, § 491(a), (b), July 18, 1984, 98 Stat. 848.

Enactment of the Tax Reform Act of 1984, referred to in text, means the date of enactment of division A of Pub. L. 98–369, which was approved July 18, 1984.

AMENDMENTS

1984—Pub. L. 98–369 inserted “, as in effect before the enactment of the Tax Reform Act of 1984” after “(26 U.S.C. 405(b), 409(a))”.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98–369 applicable to obligations issued after Dec. 31, 1983, see section 491(f)(1) of Pub. L. 98–369, set out as a note under section 62 of Title 26, Internal Revenue Code.

§ 3108. Prohibition against circulation privilege

An obligation issued under sections 3102–3104(a)(1) and 3105–3107 of this title may not bear the circulation privilege.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 942.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3108 .....	31:753(d)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 18(d)(1st sentence); added Mar. 3, 1919, ch. 100, § 1, 40 Stat. 1310.
	31:757c(d)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 22(d)(last sentence); added Feb. 4, 1935, ch. 5, § 6, 49 Stat. 21; restated Feb. 19, 1941, ch. 7, § 3, 55 Stat. 8.
	31:757c-2(c)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 22A(c)(last sentence); added Nov. 8, 1966, Pub. L. 89–800, § 5, 80 Stat. 1515.
	31:758.	Sept. 24, 1917, ch. 56, § 7(1st sentence), 40 Stat. 291.

The reference in 31:758 to certificates authorized under 31:757 is omitted because the authority under

31:757 was ended by section 2(b)(3) of the Public Debt Act of 1941 (ch. 7, 55 Stat. 7).

**§ 3109. Tax and loss bonds**

(a) The Secretary of the Treasury may issue tax and loss bonds of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. The proceeds of the tax and loss bonds shall be used for expenditures authorized by law. Tax and loss bonds are nontransferrable except as provided by the Secretary, bear no interest, and shall be issued in amounts needed to allow persons to comply with section 832(e) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)). The Secretary may prescribe the amount of tax and loss bonds and the conditions under which the bonds will be issued as required by section 832(e).

(b) For a taxable year in which amounts are deducted from the mortgage guaranty account referred to in section 832(e)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(3)), an amount of tax and loss bonds bought under section 832(e)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(2)) shall be redeemed for the amount deducted from the account. The amount redeemed shall be applied as necessary to pay taxes due because of the inclusion under section 832(b)(1)(E) of the Internal Revenue Code of 1986 (26 U.S.C. 832(b)(1)(E)) of amounts in gross income. The Secretary also may prescribe additional ways to redeem the bonds.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3109(a) .....	31:757c-3(1st-3d sentences).	Sept. 24, 1917, ch. 56, 40 Stat. 289, §26; added Jan. 2, 1968, Pub. L. 90-240, §5(f), 81 Stat. 778.
3109(b) .....	31:757c-3(4th, last sentences).	

In subsection (a), the words “and may buy, redeem, and make refunds under section 3111 of this title” are substituted for “and to retire any outstanding obligations of the United States issued under this Act” for consistency. The words “subject to the limitations imposed by section 757b of this title” are omitted as surplus. The word “conditions” is substituted for “terms and conditions” because it is inclusive.

AMENDMENTS

1986—Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954” wherever appearing.

**§ 3110. Sale of obligations of governments of foreign countries**

(a) With the approval of the President, the Secretary of the Treasury may sell obligations of the government of a foreign country when the obligations were acquired under—

- (1) the First Liberty Bond Act and matured before June 16, 1947;
- (2) the Second Liberty Bond Act and matured before October 16, 1938; or
- (3) section 7(a) of the Victory Liberty Loan Act.

(b) The Secretary may prescribe the conditions and frequency for receiving payment under

obligations of a government of a foreign country acquired under the laws referred to in subsection (a) of this section. A sale of an obligation acquired under those Acts shall at least equal the purchase price and accrued interest. The proceeds of obligations sold under this section and payments received from governments on the principal of their obligations shall be used to redeem or buy (for not more than par value and accrued interest) bonds of the United States Government issued under this chapter. If those bonds cannot be redeemed or bought, the Secretary shall redeem or buy other outstanding interest-bearing obligations of the Government that are subject to redemption or which can be bought at not more than par value and accrued interest.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3110 .....	31:801. 31:802, 803. 31:804.	Sept. 24, 1917, ch. 56, §3, 40 Stat. 289. Mar. 3, 1919, ch. 100, §§7(b), 8, 40 Stat. 1312, 1313. Apr. 24, 1917, ch. 4, §3, 40 Stat. 35.

In the section, the words “government of a foreign country” are substituted for “foreign governments” for consistency in the revised title and with other titles of the United States Code.

In subsection (a), the text of 31:801 and 802 (related to converting certain obligations of foreign governments into obligations bearing a higher rate of interest or with a longer term to maturity) is omitted as executed.

In subsection (b), the text of 31:804 is omitted as unnecessary. The word “conditions” is substituted for “terms and conditions” because it is inclusive. The words “unless otherwise hereafter provided by law” are omitted as surplus.

REFERENCES IN TEXT

The First Liberty Bond Act, referred to in subsec. (a)(1), is act Apr. 24, 1917, ch. 4, 40 Stat. 35, which enacted sections 746, 755, 755a, 759, 764, 774, and 804 of former Title 31 and section 462a of Title 12, Banks and Banking, and amended sections 745 and 768 of former Title 31, and was repealed by Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1072.

The Second Liberty Bond Act, referred to in subsec. (a)(2), is act Sept. 24, 1917, ch. 56, 40 Stat. 288, as amended, which enacted sections 747, 752 to 754b, 757, 757b, 757c to 757e, 758, 760, 765, 766, 771, 773, and 801 and amended sections 745, 764, 769, and 774 of former Title 31, and was repealed by Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1072.

Section 7(a) of the Victory Liberty Loan Act, referred to in subsec. (a)(3), is section 7(a) of act Mar. 3, 1919, ch. 100, 40 Stat. 1309, and was repealed by Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1072.

**§ 3111. New issue used to buy, redeem, or refund outstanding obligations**

An obligation may be issued under this chapter to buy, redeem, or refund, at or before maturity, outstanding bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the United States Government. Under regulations of the Secretary of the Treasury, money received from the sale of an obligation and other money in the general fund of the Treasury may be used in making the purchases, redemptions, or refunds.