

(3) Qualified compensation

For purposes of paragraph (1)—

(A) In general

The term “qualified compensation” means compensation for services performed in the United States by actors, production personnel, directors, and producers.

(B) Participations and residuals excluded

The term “compensation” does not include participations and residuals (as defined in section 167(g)(7)(B)).

(e) Application of certain other rules

For purposes of this section, rules similar to the rules of subsections (b)(2) and (c)(4) of section 194 shall apply.

(f) Termination

This section shall not apply to qualified film and television productions commencing after December 31, 2014.

(Added Pub. L. 108-357, title II, §244(a), Oct. 22, 2004, 118 Stat. 1445; amended Pub. L. 109-135, title IV, §403(e)(1), Dec. 21, 2005, 119 Stat. 2623; Pub. L. 110-343, div. C, title V, §502(a), (b), (d), Oct. 3, 2008, 122 Stat. 3876, 3877; Pub. L. 111-312, title VII, §744(a), Dec. 17, 2010, 124 Stat. 3319; Pub. L. 112-240, title III, §317(a), Jan. 2, 2013, 126 Stat. 2331; Pub. L. 113-295, div. A, title I, §129(a), Dec. 19, 2014, 128 Stat. 4018.)

PRIOR PROVISIONS

A prior section 181, Pub. L. 87-834, §2(c), Oct. 16, 1962, 76 Stat. 970, related to a deduction for unused investment credit, prior to repeal by Pub. L. 88-272, title II, §203(a)(3)(B), (4), Feb. 26, 1964, 78 Stat. 34, applicable in case of property placed in service after Dec. 31, 1963, with respect to taxable years ending after such date, and in case of property placed in service before Jan. 1, 1964, with respect to taxable years beginning after Dec. 31, 1963.

AMENDMENTS

2014—Subsec. (f). Pub. L. 113-295 substituted “December 31, 2014” for “December 31, 2013”.

2013—Subsec. (f). Pub. L. 112-240 substituted “December 31, 2013” for “December 31, 2011”.

2010—Subsec. (f). Pub. L. 111-312 substituted “December 31, 2011” for “December 31, 2009”.

2008—Subsec. (a)(2)(A). Pub. L. 110-343, §502(b), reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “Paragraph (1) shall not apply to any qualified film or television production the aggregate cost of which exceeds \$15,000,000.”

Subsec. (d)(3)(A). Pub. L. 110-343, §502(d), substituted “actors, production personnel, directors, and producers.” for “actors, directors, producers, and other relevant production personnel.”

Subsec. (f). Pub. L. 110-343, §502(a), substituted “December 31, 2009” for “December 31, 2008”.

2005—Subsec. (d)(2). Pub. L. 109-135 struck out “For purposes of a television series, only the first 44 episodes of such series may be taken into account.” at end of subpar. (A), added subpar. (B), and redesignated former subpar. (B) as (C).

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title I, §129(b), Dec. 19, 2014, 128 Stat. 4018, provided that: “The amendment made by this section [amending this section] shall apply to productions commencing after December 31, 2013.”

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title III, §317(b), Jan. 2, 2013, 126 Stat. 2331, provided that: “The amendment made by this sec-

tion [amending this section] shall apply to productions commencing after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §744(b), Dec. 17, 2010, 124 Stat. 3319, provided that: “The amendment made by this section [amending this section] shall apply to productions commencing after December 31, 2009.”

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. C, title V, §502(e), Oct. 3, 2008, 122 Stat. 3877, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [amending this section and section 199 of this title] shall apply to qualified film and television productions commencing after December 31, 2007.

“(2) DEDUCTION.—The amendments made by subsection (c) [amending section 199 of this title] shall apply to taxable years beginning after December 31, 2007.”

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-135 effective as if included in the provision of the American Jobs Creation Act of 2004, Pub. L. 108-357, to which such amendment relates, see section 403(nn) of Pub. L. 109-135, set out as a note under section 26 of this title.

EFFECTIVE DATE

Pub. L. 108-357, title II, §244(c), Oct. 22, 2004, 118 Stat. 1447, provided that: “The amendments made by this section [enacting this section] shall apply to qualified film and television productions (as defined in section 181(d)(1) of the Internal Revenue Code of 1986, as added by this section) commencing after the date of the enactment of this Act [Oct. 22, 2004].”

[§ 182. Repealed. Pub. L. 99-514, title IV, § 402(a), Oct. 22, 1986, 100 Stat. 2221]

Section, added Pub. L. 87-834, §21(a), Oct. 16, 1962, 76 Stat. 1063; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, authorized deduction of expenditures by farmers for clearing land.

EFFECTIVE DATE OF REPEAL

Pub. L. 99-514, title IV, §402(c), Oct. 22, 1986, 100 Stat. 2221, provided that: “The amendments made by this section [amending sections 263 and 1252 of this title and repealing this section] shall apply to amounts paid or incurred after December 31, 1985, in taxable years ending after such date.”

§ 183. Activities not engaged in for profit**(a) General rule**

In the case of an activity engaged in by an individual or an S corporation, if such activity is not engaged in for profit, no deduction attributable to such activity shall be allowed under this chapter except as provided in this section.

(b) Deductions allowable

In the case of an activity not engaged in for profit to which subsection (a) applies, there shall be allowed—

(1) the deductions which would be allowable under this chapter for the taxable year without regard to whether or not such activity is engaged in for profit, and

(2) a deduction equal to the amount of the deductions which would be allowable under this chapter for the taxable year only if such activity were engaged in for profit, but only to the extent that the gross income derived from such activity for the taxable year exceeds the