

1962—Pub. L. 87-834, §8(g)(4)(A), Oct. 16, 1962, 76 Stat. 999, substituted “and certain marine insurance companies and other than fire or flood insurance companies which operate on basis of perpetual policies or premium deposits” for “or marine or fire insurance companies issuing perpetual policies” in heading of part II.

PART I—LIFE INSURANCE COMPANIES

Subpart

- A. Tax imposed.
- B. Life insurance gross income.
- C. Life insurance deductions.
- D. Accounting, allocation, and foreign provisions.
- E. Definitions and special rules.

SUBPART A—TAX IMPOSED

Sec.

- 801. Tax imposed.

§ 801. Tax imposed

(a) Tax imposed

(1) In general

A tax is hereby imposed for each taxable year on the life insurance company taxable income of every life insurance company. Such tax shall consist of a tax computed as provided in section 11 as though the life insurance company taxable income were the taxable income referred to in section 11.

(2) Alternative tax in case of capital gains

(A) In general

If a life insurance company has a net capital gain for the taxable year, then (in lieu of the tax imposed by paragraph (1)), there is hereby imposed a tax (if such tax is less than the tax imposed by paragraph (1)).

(B) Amount of tax

The amount of the tax imposed by this paragraph shall be the sum of—

- (i) a partial tax, computed as provided by paragraph (1), on the life insurance company taxable income reduced by the amount of the net capital gain, and
- (ii) an amount determined as provided in section 1201(a) on such net capital gain.

(C) Net capital gain not taken into account in determining small life insurance company deduction

For purposes of subparagraph (B)(i), the amount allowable as a deduction under paragraph (2) of section 804 shall be determined by reducing the tentative LICTI by the amount of the net capital gain (determined without regard to items attributable to non-insurance businesses).

(b) Life insurance company taxable income

For purposes of this part, the term “life insurance company taxable income” means—

- (1) life insurance gross income, reduced by
- (2) life insurance deductions.

(c) Taxation of distributions from pre-1984 policyholders surplus account

For provision taxing distributions to shareholders from pre-1984 policyholders surplus account, see section 815.

(Added Pub. L. 98-369, div. A, title II, §211(a), July 18, 1984, 98 Stat. 720; amended Pub. L.

99-514, title X, §1011(b)(3), Oct. 22, 1986, 100 Stat. 2389.)

PRIOR PROVISIONS

A prior section 801, added Pub. L. 86-69, §2(a), June 25, 1959, 73 Stat. 112; amended Pub. L. 87-858, §3(a), Oct. 23, 1962, 76 Stat. 1134; Pub. L. 91-172, title I, §121(b)(5)(B), Dec. 30, 1969, 83 Stat. 541; Pub. L. 93-406, title II, §2002(g)(11), Sept. 2, 1974, 88 Stat. 970; Pub. L. 94-455, title XV, §1505(a), title XIX, §§1901(c)(6), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1738, 1803, 1834; Pub. L. 95-600, title VII, §703(j)(4), Nov. 6, 1978, 92 Stat. 2941, defined “life insurance company” and related terms, prior to the general revision of this part by Pub. L. 98-369, §211(a). See section 816 of this title.

Another prior section 801, acts Aug. 16, 1954, ch. 736, 68A Stat. 255; Mar. 13, 1956, ch. 83, §2, 70 Stat. 36, contained provisions similar to this section, prior to the general revision of this part by Pub. L. 86-69, §2(a).

A prior section 802, added Pub. L. 86-69, §2(a), June 25, 1959, 73 Stat. 115; amended Pub. L. 87-858, §3(b)(1), Oct. 23, 1962, 76 Stat. 1136; Pub. L. 88-272, title II, §235(c)(1), Feb. 26, 1964, 78 Stat. 126; Pub. L. 91-172, title V, §511(c)(1), Dec. 30, 1969, 83 Stat. 637; Pub. L. 94-455, title XIX, §1901(a)(95), (b)(33)(E), Oct. 4, 1976, 90 Stat. 1780, 1801; Pub. L. 95-600, title III, §301(b)(8), Nov. 6, 1978, 92 Stat. 2821, contained provisions similar to this section, prior to the general revision of this part by Pub. L. 98-369, §211(a).

Another prior section 802, acts Aug. 16, 1954, ch. 736, 68A Stat. 255; Mar. 13, 1956, ch. 83, §2, 70 Stat. 38; July 24, 1956, ch. 696, §§1, 2(b), 70 Stat. 633; Mar. 17, 1958, Pub. L. 85-345, §§1, 2(a), 72 Stat. 36, contained provision similar to this section, prior to the general revision of this part by Pub. L. 86-69, §2(a).

AMENDMENTS

1986—Subsec. (a)(2)(C). Pub. L. 99-514 substituted “the amount allowable as a deduction under paragraph (2)” for “the amounts allowable as deductions under paragraphs (2) and (3)” in text and struck from heading “special life insurance company deduction and” before “small”.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 1011(c)(1) of Pub. L. 99-514, set out as a note under section 453B of this title.

EFFECTIVE DATE

Pub. L. 98-369, div. A, title II, §215, July 18, 1984, 98 Stat. 758, provided that: “The amendments made by this subtitle [subtitle A (§§211-219) of title II of div. A of Pub. L. 98-369, amending this part, enacting section 845 of this title, amending sections 72, 80, 243, 381, 401, 453B, 542, 594, 832, 841, 844, 891, 953, 1016, 1035, 1201, 1232A, 1351, 1503, 1504, 1561, 1563, 4371, 6501, 6511, 6601, and 6611 of this title, and enacting provisions set out as notes under this section and sections 453B, 806, 807, 809, 814, 816, 845, and 6655 of this title] shall apply to taxable years beginning after December 31, 1983.”

TREATMENT OF CERTAIN WORKERS’ COMPENSATION FUNDS

Pub. L. 100-647, title VI, §6076, Nov. 10, 1988, 102 Stat. 3706, provided that:

“(a) **TREATMENT FOR TAXABLE YEARS BEGINNING BEFORE 1987.**—In the case of any taxable year beginning before January 1, 1987, a deficiency shall not be assessed against (and if assessed, shall not be collected from) any qualified group self-insurers’ fund to the extent such deficiency is attributable to the timing of policyholder dividend deductions.

“(b) **QUALIFIED GROUP SELF-INSURERS’ FUND.**—For purposes of this section, the term ‘qualified group self-insurers’ fund’ means any group of 2 or more employers which has been in existence for not less than 2 years,