

Subsec. (b)(3)(C)(i)(II). Pub. L. 111-152, §1401(a)(2)(B)(iii), substituted “\$27,500 multiplied by the health cost adjustment percentage (determined by only taking into account coverage other than self-only coverage)” for “\$23,000”.

Subsec. (b)(3)(C)(ii), (iii). Pub. L. 111-152, §1401(a)(2)(C), added cls. (ii) and (iii). Former cls. (ii) and (iii) redesignated (iv) and (v), respectively.

Subsec. (b)(3)(C)(iv). Pub. L. 111-152, §1401(a)(2)(D), inserted “covered by the plan” after “whose employees” in introductory provisions, added subcls. (I) and (II), and struck out former subcls. (I) and (II) which read as follows:

“(I) the dollar amount in clause (i)(I) (determined after the application of subparagraph (D)) shall be increased by \$1,350, and

“(II) the dollar amount in clause (i)(II) (determined after the application of subparagraph (D)) shall be increased by \$3,000.”

Pub. L. 111-152, §1401(a)(2)(C), redesignated cl. (ii) as (iv).

Subsec. (b)(3)(C)(v). Pub. L. 111-152, §1401(a)(2)(E)(i), (ii), substituted “2018” for “2013” and “clauses (i) (after the application of clause (ii)) and (iv)” for “clauses (i) and (ii)” in introductory provisions.

Pub. L. 111-152, §1401(a)(2)(C), redesignated cl. (iii) as (v).

Subsec. (b)(3)(C)(v)(II). Pub. L. 111-152, §1401(a)(2)(E)(iii), inserted “in the case of determinations for calendar years beginning before 2020” after “1 percentage point”.

Subsec. (b)(3)(D). Pub. L. 111-152, §1401(a)(3), struck out subpar. (D) which provided transition rule for States with highest coverage costs.

Subsec. (d)(1)(B)(i). Pub. L. 111-148, §10901(b), substituted “section 9832(c)(1) (other than subparagraph (G) thereof)” for “section 9832(c)(1)(A)”.

Subsec. (d)(1)(B)(ii), (iii). Pub. L. 111-152, §1401(a)(4), added cl. (ii) and redesignated former cl. (ii) as (iii).

Subsec. (d)(3). Pub. L. 111-152, §1401(a)(5), added par. (3).

Subsec. (f)(3). Pub. L. 111-148, §10901(a), inserted “individuals whose primary work is longshore work (as defined in section 258(b) of the Immigration and Nationality Act (8 U.S.C. 1288(b)), determined without regard to paragraph (2) thereof,” before “and individuals engaged in the construction, mining”.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-148, title X, §10901(c), Mar. 23, 2010, 124 Stat. 1016, as amended by Pub. L. 111-152, title I, §1401(b)(2), Mar. 30, 2010, 124 Stat. 1060, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2017.”

EFFECTIVE DATE

Pub. L. 111-148, title IX, §9001(c), Mar. 23, 2010, 124 Stat. 853, as amended by Pub. L. 111-152, title I, §1401(b)(1), Mar. 30, 2010, 124 Stat. 1060, provided that: “The amendments made by this section [enacting this section] shall apply to taxable years beginning after December 31, 2017.”

CHAPTER 44—QUALIFIED INVESTMENT ENTITIES

Sec.

4981. Excise tax on undistributed income of real estate investment trusts.

4982. Excise tax on undistributed income of regulated investment companies.

AMENDMENTS

1986—Pub. L. 99-514, title VI, §651(c), Oct. 22, 1986, 100 Stat. 2297, substituted: “QUALIFIED INVESTMENT ENTITIES” for “REAL ESTATE INVESTMENT TRUSTS” as chapter heading, substituted “Excise tax on undistributed income of real estate investment

trusts” for “Excise tax based on certain real estate investment trust taxable income not distributed during the taxable year” in item 4981, and added item 4982.

1976—Pub. L. 94-455, title XVI, §1605(a), Oct. 4, 1976, 90 Stat. 1754, added chapter heading and section analysis.

§ 4981. Excise tax on undistributed income of real estate investment trusts

(a) Imposition of tax

There is hereby imposed a tax on every real estate investment trust for each calendar year equal to 4 percent of the excess (if any) of—

- (1) the required distribution for such calendar year, over
- (2) the distributed amount for such calendar year.

(b) Required distribution

For purposes of this section—

(1) In general

The term “required distribution” means, with respect to any calendar year, the sum of—

(A) 85 percent of the real estate investment trust’s ordinary income for such calendar year, plus

(B) 95 percent of the real estate investment trust’s capital gain net income for such calendar year.

(2) Increase by prior year shortfall

The amount determined under paragraph (1) for any calendar year shall be increased by the excess (if any) of—

(A) the grossed up required distribution for the preceding calendar year, over

(B) the distributed amount for such preceding calendar year.

(3) Grossed up required distribution

The grossed up required distribution for any calendar year is the required distribution for such year determined—

(A) with the application of paragraph (2) to such taxable year, and

(B) by substituting “100 percent” for each percentage set forth in paragraph (1).

(c) Distributed amount

For purposes of this section—

(1) In general

The term “distributed amount” means, with respect to any calendar year, the sum of—

(A) the deduction for dividends paid (as defined in section 561) during such calendar year (but computed without regard to that portion of such deduction which is attributable to the amount excluded under section 857(b)(2)(D)), and

(B) any amount on which tax is imposed under subsection (b)(1) or (b)(3)(A) of section 857 for any taxable year ending in such calendar year.

(2) Increase by prior year overdistribution

The amount determined under paragraph (1) for any calendar year shall be increased by the excess (if any) of—

(A) the distributed amount for the preceding calendar year (determined with the application of this paragraph to such preceding calendar year), over