

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 applicable to amounts paid or incurred after Dec. 31, 1978, in taxable years ending after such date, see section 321(d)(1) of Pub. L. 95-600, set out as a note under section 51 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1976, and to credit carrybacks from such years, see section 202(e) of Pub. L. 95-30, set out as a note under section 51 of this title.

SAVINGS PROVISION

For provisions that nothing in amendment by Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

SUBPART G—CREDIT AGAINST REGULAR TAX FOR PRIOR YEAR MINIMUM TAX LIABILITY

Sec.

53. Credit for prior year minimum tax liability.

§ 53. Credit for prior year minimum tax liability**(a) Allowance of credit**

There shall be allowed as a credit against the tax imposed by this chapter for any taxable year an amount equal to the minimum tax credit for such taxable year.

(b) Minimum tax credit

For purposes of subsection (a), the minimum tax credit for any taxable year is the excess (if any) of—

- (1) the adjusted net minimum tax imposed for all prior taxable years beginning after 1986, over
- (2) the amount allowable as a credit under subsection (a) for such prior taxable years.

(c) Limitation

The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

- (1) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over
- (2) the tentative minimum tax for the taxable year.

(d) Definitions

For purposes of this section—

(1) Net minimum tax**(A) In general**

The term “net minimum tax” means the tax imposed by section 55.

(B) Credit not allowed for exclusion preferences**(i) Adjusted net minimum tax**

The adjusted net minimum tax for any taxable year is—

- (I) the amount of the net minimum tax for such taxable year, reduced by
- (II) the amount which would be the net minimum tax for such taxable year if the only adjustments and items of tax

preference taken into account were those specified in clause (ii).

(ii) Specified items

The following are specified in this clause—

- (I) the adjustments provided for in subsection (b)(1) of section 56, and
- (II) the items of tax preference described in paragraphs (1), (5), and (7) of section 57(a).

(iii) Credit allowable for exclusion preferences of corporations

In the case of a corporation—

- (I) the preceding provisions of this subparagraph shall not apply, and
- (II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year.

(2) Tentative minimum tax

The term “tentative minimum tax” has the meaning given to such term by section 55(b).

(Added Pub. L. 99-514, title VII, §701(b), Oct. 22, 1986, 100 Stat. 2339; amended Pub. L. 100-647, title I, §1007(g)(4), title VI, §6304(a), Nov. 10, 1988, 102 Stat. 3435, 3756; Pub. L. 101-239, title VII, §§7612(a)(1), (2), (b)(1), 7811(d)(2), Dec. 19, 1989, 103 Stat. 2373, 2374, 2408; Pub. L. 102-486, title XIX, §1913(b)(2)(C), Oct. 24, 1992, 106 Stat. 3020; Pub. L. 103-66, title XIII, §§13113(b)(2), 13171(c), Aug. 10, 1993, 107 Stat. 429, 455; Pub. L. 104-188, title I, §1205(d)(5), 1704(j)(1), Aug. 20, 1996, 110 Stat. 1776, 1881; Pub. L. 108-357, title IV, §421(a)(2), Oct. 22, 2004, 118 Stat. 1514; Pub. L. 109-58, title XIII, §1322(a)(3)(G), Aug. 8, 2005, 119 Stat. 1012; Pub. L. 109-432, div. A, title IV, §402(a), Dec. 20, 2006, 120 Stat. 2953; Pub. L. 110-172, §2(a), Dec. 29, 2007, 121 Stat. 2473; Pub. L. 110-343, div. C, title I, §103(a), (b), Oct. 3, 2008, 122 Stat. 3863; Pub. L. 111-5, div. B, title I, §1142(b)(4), Feb. 17, 2009, 123 Stat. 331; Pub. L. 113-295, div. A, title II, §221(a)(8)(A)(i), Dec. 19, 2014, 128 Stat. 4038.)

PRIOR PROVISIONS

A prior section 53, added Pub. L. 95-30, title II, §202(b), May 23, 1977, 91 Stat. 146; amended Pub. L. 95-600, title III, §321(c)(2), Nov. 6, 1978, 92 Stat. 2835; Pub. L. 97-34, title II, §207(c)(2), Aug. 13, 1981, 95 Stat. 225; Pub. L. 97-248, title II, §201(d)(8)(A), formerly §201(c)(8)(A), and §265(b)(2)(A)(iii), Sept. 3, 1982, 96 Stat. 420, 547, renumbered §201(d)(8)(A), Pub. L. 97-448, title III, §306(a)(1)(A)(i), Jan. 12, 1983, 96 Stat. 2400; 97-354, §5(a)(12), Oct. 19, 1982, 96 Stat. 1693; 97-448, title I, §102(d)(3), Jan. 12, 1983, 96 Stat. 2370; Pub. L. 98-21, title I, §122(c)(1), Apr. 20, 1983, 97 Stat. 87; Pub. L. 98-369, div. A, title VII, §713(c)(1)(C), July 18, 1984, 98 Stat. 957, placed limitations on the amount of credit allowed by former section 44B for employment of certain new employees, prior to repeal by Pub. L. 98-369, div. A, title IV, §474(p)(8), July 18, 1984, 98 Stat. 838, applicable to taxable years beginning after Dec. 31, 1983, and to carrybacks from such years.

AMENDMENTS

2014—Subsecs. (e), (f). Pub. L. 113-295 struck out subsecs. (e) and (f) which related to special rule for individuals with long-term unused credits and treatment of certain underpayments, interest, and penalties attributable to the treatment of incentive stock options, respectively.

2009—Subsec. (d)(1)(B)(iii). Pub. L. 111-5, §1142(b)(4)(A), redesignated cl. (iv) as (iii) and struck

out former cl. (iii). Prior to amendment, text read as follows: “The adjusted net minimum tax for the taxable year shall be increased by the amount of the credit not allowed under section 30 solely by reason of the application of section 30(b)(3)(B).”

Subsec. (d)(1)(B)(iii)(II). Pub. L. 111-5, §1142(b)(4)(B), struck out “increased in the manner provided in clause (iii)” before period.

Subsec. (d)(1)(B)(iv). Pub. L. 111-5, §1142(b)(4)(A), redesignated cl. (iv) as (iii).

2008—Subsec. (e)(2). Pub. L. 110-343, §103(a), reenacted heading without change and amended text generally. Prior to amendment, par. (2) defined “AMT refundable credit amount” and provided for phaseout of AMT refundable credit amount based on adjusted gross income.

Subsec. (f). Pub. L. 110-343, §103(b), added subsec. (f).

2007—Subsec. (e)(2)(A). Pub. L. 110-172 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “The term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount equal to the greater of—

“(i) the lesser of—

“(I) \$5,000, or

“(II) the amount of long-term unused minimum tax credit for such taxable year, or

“(ii) 20 percent of the amount of such credit.”

2006—Subsec. (e). Pub. L. 109-432 added subsec. (e).

2005—Subsec. (d)(1)(B)(iii). Pub. L. 109-58 struck out “under section 29 (relating to credit for producing fuel from a nonconventional source) solely by reason of the application of section 29(b)(6)(B), or not allowed” before “under section 30”.

2004—Subsec. (d)(1)(B)(i)(II). Pub. L. 108-357 struck out “and if section 59(a)(2) did not apply” before period at end.

1996—Subsec. (d)(1)(B)(iii). Pub. L. 104-188, §1205(d)(5)(A), which directed that cl. (iii) be amended by striking out “or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B),” was executed by striking out “not allowed under section 28 solely by reason of the application of section 28(d)(2)(B),” after “29(b)(6)(B),” to reflect the probable intent of Congress.

Subsec. (d)(1)(B)(iv)(II). Pub. L. 104-188, §1704(j)(1), amended subcl. (II) generally. Prior to amendment, subcl. (II) read as follows: “the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year increased by the amount of any credit not allowed under section 29 solely by reason of the application of section 29(b)(5)(B) or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B).”

Pub. L. 104-188, §1205(d)(5)(B), which directed that subcl. (II) be amended by striking out “or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B),” could not be executed because the phrase sought to be struck out did not appear in text subsequent to the general amendment of subcl. (II) by Pub. L. 104-188, §1704(j)(1), see above, which, pursuant to section 1701 of Pub. L. 104-188, set out as a note under section 1 of this title, is treated as having been enacted before section 1205(d)(5)(B) of Pub. L. 104-188.

1993—Subsec. (d)(1)(B)(ii)(II). Pub. L. 103-66, §13171(c), substituted “(5), and (7)” for “(5), (6), and (8)”.

Pub. L. 103-66, §13113(b)(2), substituted “(6), and (8)” for “and (6)”.

1992—Subsec. (d)(1)(B)(iii). Pub. L. 102-486, §1913(b)(2)(C)(i), substituted “section 29(b)(6)(B),” for “section 29(b)(5)(B) or”.

Pub. L. 102-486, §1913(b)(2)(C)(ii), inserted before period at end “, or not allowed under section 30 solely by reason of the application of section 30(b)(3)(B)”.

1989—Subsec. (d)(1)(B)(i)(II). Pub. L. 101-239, §7811(d)(2), inserted before period at end “and if section 59(a)(2) did not apply”.

Subsec. (d)(1)(B)(ii). Pub. L. 101-239, §7612(a)(2), substituted “subsection (b)(1)” for “subsections (b)(1) and (c)(3)” in subcl. (I) and struck out at end “In the case of taxable years beginning after 1989, the adjustments provided in section 56(g) shall be treated as specified in

this clause to the extent attributable to items which are excluded from gross income for any taxable year for purposes of the regular tax, or are not deductible for any taxable year under the adjusted current earnings method of section 56(g).”

Subsec. (d)(1)(B)(iii). Pub. L. 101-239, §7612(b)(1), which directed amendment of cl. (iii) by inserting “or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)” after “section 29(d)(5)(B)”, was executed by making the insertion after “section 29(b)(5)(B)”, as the probable intent of Congress.

Subsec. (d)(1)(B)(iv). Pub. L. 101-239, §7612(b)(1), which directed amendment of cl. (iv) by inserting “or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)” after “section 29(d)(5)(B)”, was executed by making the insertion after “section 29(b)(5)(B)” in subcl. (II), as the probable intent of Congress.

Pub. L. 101-239, §7612(a)(1), added cl. (iv).

1988—Subsec. (d)(1)(B)(ii). Pub. L. 100-647, §1007(g)(4), substituted “current earnings” for “earnings and profits” in last sentence.

Subsec. (d)(1)(B)(iii). Pub. L. 100-647, §6304(a), added cl. (iii).

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. C, title I, §103(c), Oct. 3, 2008, 122 Stat. 3864, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2007.

“(2) ABATEMENT.—Section 53(f)(1), as added by subsection (b), shall take effect on the date of the enactment of this Act [Oct. 3, 2008].”

EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-172, §2(b), Dec. 29, 2007, 121 Stat. 2474, provided that: “The amendment made by this section [amending this section] shall take effect as if included in the provision of the Tax Relief and Health Care Act of 2006 [Pub. L. 109-432] to which it relates.”

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-432, div. A, title IV, §402(c), Dec. 20, 2006, 120 Stat. 2954, provided that: “The amendments made by this section [amending this section, section 6211 of this title, and section 1324 of Title 31, Money and Finance] shall apply to taxable years beginning after the date of the enactment of this Act [Dec. 20, 2006].”

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-58 applicable to credits determined under the Internal Revenue Code of 1986 for taxable years ending after Dec. 31, 2005, see section 1322(c)(1) of Pub. L. 109-58, set out as a note under section 45K of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-357, title IV, §421(b), Oct. 22, 2004, 118 Stat. 1514, provided that: “The amendments made by this section [amending this section and section 59 of this title] shall apply to taxable years beginning after December 31, 2004.”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 1205(d)(5) of Pub. L. 104-188 applicable to amounts paid or incurred in taxable years

ending after June 30, 1996, see section 1205(e) of Pub. L. 104-188, set out as a note under section 45K of this title.

Pub. L. 104-188, title I, §1704(j)(1), Aug. 20, 1996, 110 Stat. 1881, provided that the amendment made by that section is effective with respect to taxable years beginning after Dec. 31, 1990.

EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-66, title XIII, §13113(e), Aug. 10, 1993, 107 Stat. 430, provided that: "The amendments made by this section [enacting section 1202 of this title and amending this section and sections 57, 172, 642, 643, 691, 871, and 6652 of this title] shall apply to stock issued after the date of the enactment of this Act [Aug. 10, 1993]."

Pub. L. 103-66, title XIII, §13171(d), Aug. 10, 1993, 107 Stat. 455, provided that: "The amendments made by this section [amending this section and sections 56 and 57 of this title] shall apply to contributions made after June 30, 1992, except that in the case of any contribution of capital gain property which is not tangible personal property, such amendments shall apply only if the contribution is made after December 31, 1992."

EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 104-188, title I, §1702(e)(5), Aug. 20, 1996, 110 Stat. 1870, provided that: "The amendment made by section 1913(b)(2)(C)(i) of the Energy Policy Act of 1992 [Pub. L. 102-486] shall apply to taxable years beginning after December 31, 1990."

Pub. L. 102-486, title XIX, §1913(c), Oct. 24, 1992, 106 Stat. 3020, provided that: "The amendments made by this section [enacting sections 30 and 179A of this title and amending this section and sections 55, 62, and 1016 of this title] shall apply to property placed in service after June 30, 1993."

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title VII, §7612(a)(3), Dec. 19, 1989, 103 Stat. 2373, provided that: "The amendments made by this subsection [amending this section] shall apply for purposes of determining the adjusted net minimum tax for taxable years beginning after December 31, 1989."

Pub. L. 101-239, title VII, §7612(b)(2), Dec. 19, 1989, 103 Stat. 2374, provided that: "The amendment made by paragraph (1) [amending this section] shall apply for purposes of determining the amount of the minimum tax credit for taxable years beginning after December 31, 1989; except that, for such purposes, section 53(b)(1) of the Internal Revenue Code of 1986 shall be applied as if such amendment had been in effect for all prior taxable years."

Amendment by section 7811(d)(2) of Pub. L. 101-239 effective, except as otherwise provided, as if included in the provision of the Technical and Miscellaneous Revenue Act of 1988, Pub. L. 100-647, to which such amendment relates, see section 7817 of Pub. L. 101-239, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by section 1007(g)(4) of Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

Pub. L. 100-647, title VI, §6304(b), Nov. 10, 1988, 102 Stat. 3756, provided that: "The amendment made by this section [amending this section] shall take effect as if included in the amendments made by section 701 of the Tax Reform Act of 1986 [Pub. L. 99-514]."

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 701(f) of Pub. L. 99-514, set out as an

Effective Date of 1986 Amendment note under section 55 of this title.

APPLICABILITY OF CERTAIN AMENDMENTS BY PUB. L. 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For applicability of amendment by section 701(b) of Pub. L. 99-514 [enacting this section] notwithstanding any treaty obligation of the United States in effect on Oct. 22, 1986, with provision that for such purposes any amendment by title I of Pub. L. 100-647 be treated as if it had been included in the provision of Pub. L. 99-514 to which such amendment relates, see section 1012(aa)(2), (4) of Pub. L. 100-647, set out as a note under section 861 of this title.

CONSTRUCTION

Pub. L. 113-295, div. A, title II, §221(a)(8)(A)(ii), Dec. 19, 2014, 128 Stat. 4038, provided that: "The amendment made by clause (i) striking subsection (f) of section 53 of the Internal Revenue Code of 1986 shall not be construed to allow any tax abated by reason of section 53(f)(1) of such Code (as in effect before such amendment) to be included in the amount determined under section 53(b)(1) of such Code."

SUBPART H—NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE ENERGY BONDS

Sec.

54. Credit to holders of clean renewable energy bonds.

AMENDMENTS

2008—Pub. L. 110-234, title XV, §15316(c)(4), May 22, 2008, 122 Stat. 1511, and Pub. L. 110-246, title XV, §15316(c)(4), June 18, 2008, 122 Stat. 2273, made identical amendments, substituting "Clean Renewable Energy Bonds" for "Certain Bonds" in subpart heading. The amendment by Pub. L. 110-234 was repealed by Pub. L. 110-246, §4(a), June 18, 2008, 122 Stat. 1664.

§ 54. Credit to holders of clean renewable energy bonds

(a) Allowance of credit

If a taxpayer holds a clean renewable energy bond on one or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

(b) Amount of credit

(1) In general

The amount of the credit determined under this subsection with respect to any credit allowance date for a clean renewable energy bond is 25 percent of the annual credit determined with respect to such bond.

(2) Annual credit

The annual credit determined with respect to any clean renewable energy bond is the product of—

(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

(B) the outstanding face amount of the bond.

(3) Determination

For purposes of paragraph (2), with respect to any clean renewable energy bond, the Sec-