

tion 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§ 1101-1147 and 1171-1177] or title XVIII [§§ 1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

APPLICATION OF AMENDMENTS MADE BY SECTION 252 OF
PUB. L. 97-34

Pub. L. 99-514, title XVIII, § 1879(p), Oct. 22, 1986, 100 Stat. 2911, as amended by Pub. L. 100-647, title I, § 1018(q)(3), Nov. 10, 1988, 102 Stat. 3585, provided that:

“(1) Notwithstanding subsection (c) of section 252 of the Economic Recovery Tax Act of 1981 [section 252(c) of Pub. L. 97-34, set out above], the amendment made by subsection (a) of such section 252 [amending this section] (and the provisions of subsection (b) of such section 252 [set out below]) shall apply to any transfer of stock to any person if—

“(A) such transfer occurred in November or December of 1973 and was pursuant to the exercise of an option granted in November or December of 1971,

“(B) in December 1973 the corporation granting the option was acquired by another corporation in a transaction qualifying as a reorganization under section 368 of the Internal Revenue Code of 1954 [now 1986],

“(C) the fair market value (as of July 1, 1974) of the stock received by such person in the reorganization in exchange for the stock transferred to him pursuant to the exercise of such option was less than 50 percent of the fair market value of the stock so received (as of December 4, 1973),

“(D) in 1975 or 1976 such person sold substantially all of the stock received in such reorganization, and

“(E) such person makes an election under this section at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe.

“(2) LIMITATION ON AMOUNT OF BENEFIT.—Paragraph (1) shall not apply to transfers with respect to any employee to the extent that the application of paragraph (1) with respect to such employee would (but for this paragraph) result in a reduction in liability for income tax with respect to such employee for all taxable years in excess of \$100,000 (determined without regard to any interest).

“(3) STATUTE OF LIMITATIONS.—

“(A) OVERPAYMENTS.—If refund or credit of any overpayment of tax resulting from the application of paragraph (1) is prevented on the date of the enactment of this Act [Oct. 22, 1986] (or at any time within 6 months after such date of enactment) by the operation of any law or rule of law, refund or credit of such overpayment (to the extent attributable to the application of paragraph (1)) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 6-month period.

“(B) DEFICIENCIES.—If the assessment of any deficiency of tax resulting from the application of paragraph (1) is prevented on the date of the enactment of this Act [Oct. 22, 1986] (or at any time within 6 months after such date of enactment) by the operation of any law or rule of law, assessment of such deficiency (to the extent attributable to the application of paragraph (1)) may, nevertheless, be made within such 6-month period.”

TIME FOR MAKING CERTAIN SECTION 83(b) ELECTIONS

Pub. L. 98-369, div. A, title V, § 556, July 18, 1984, 98 Stat. 898, as amended by Pub. L. 99-514, § 2, title XVIII, § 1855(b), Oct. 22, 1986, 100 Stat. 2095, 2882, provided that: “In the case of any transfer of property in connection

with the performance of services on or before November 18, 1982, the election permitted by section 83(b) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] may be made, notwithstanding paragraph (2) of such section 83(b), with the income tax return for any taxable year ending after July 18, 1984, and beginning before the date of the enactment of the Tax Reform Act of 1986 [Oct. 22, 1986] if—

“(1) the amount paid for such property was not less than its fair market value at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse), and

“(2) the election is consented to by the person transferring such property.

The election shall contain that information required by the Secretary of the Treasury or his delegate for elections permitted by such section 83(b). The period for assessing any tax attributable to a transfer of property which is the subject of an election made pursuant to this section shall not expire before the date which is 3 years after the date such election was made.”

PROPERTY SUBJECT TO TRANSFER RESTRICTIONS TO
COMPLY WITH “POOLING-OF-INTERESTS ACCOUNTING”
RULES

Pub. L. 97-34, title II, § 252(b), Aug. 13, 1981, 95 Stat. 260, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided, effective with respect to taxable years ending after Dec. 31, 1981, that: “For purposes of section 83 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], property is subject to substantial risk of forfeiture and is not transferable so long as such property is subject to a restriction on transfer to comply with the “Pooling-of-Interests Accounting” rules set forth in Accounting Series Release Numbered 130 ((10/5/72) 37 FR 20937; 17 CFR 211.130) and Accounting Series Release Numbered 135 ((1/18/73) 38 FR 1734; 17 CFR 211.135).”

§ 84. Transfer of appreciated property to political organization

(a) General rule

If—

(1) any person transfers property to a political organization, and

(2) the fair market value of such property exceeds its adjusted basis,

then for purposes of this chapter the transferor shall be treated as having sold such property to the political organization on the date of the transfer, and the transferor shall be treated as having realized an amount equal to the fair market value of such property on such date.

(b) Basis of property

In the case of a transfer of property to a political organization to which subsection (a) applies, the basis of such property in the hands of the political organization shall be the same as it would be in the hands of the transferor, increased by the amount of gain recognized to the transferor by reason of such transfer.

(c) Political organization defined

For purposes of this section, the term “political organization” has the meaning given to such term by section 527(e)(1).

(Added Pub. L. 93-625, § 13(a)(1), Jan. 3, 1975, 88 Stat. 2120.)

EFFECTIVE DATE

Pub. L. 93-625, § 13(b), Jan. 3, 1975, 88 Stat. 2121, provided that: “The amendments made by subsection (a)

[enacting this section] shall apply to transfers made after May 7, 1974, in taxable years ending after such date.”

NONRECOGNITION OF GAIN OR LOSS WHERE ORGANIZATION SOLD CONTRIBUTED PROPERTY BEFORE AUGUST 2, 1973

Pub. L. 93-625, §13(c), Jan. 3, 1975, 88 Stat. 2121, provided that in the case of the sale or exchange of property before Aug. 2, 1973, which was acquired by the exempt political organization by contribution, no gain or loss shall be recognized by such organization.

§ 85. Unemployment compensation

(a) General rule

In the case of an individual, gross income includes unemployment compensation.

(b) Unemployment compensation defined

For purposes of this section, the term “unemployment compensation” means any amount received under a law of the United States or of a State which is in the nature of unemployment compensation.

(Added Pub. L. 95-600, title I, §112(a), Nov. 6, 1978, 92 Stat. 2777; amended Pub. L. 97-34, title I, §103(c)(1), Aug. 13, 1981, 95 Stat. 188; Pub. L. 97-248, title VI, §611(a), Sept. 3, 1982, 96 Stat. 706; Pub. L. 98-21, title I, §§121(f)(1), 122(c)(2), Apr. 20, 1983, 97 Stat. 84, 87; Pub. L. 99-514, title I, §121, Oct. 22, 1986, 100 Stat. 2109; Pub. L. 111-5, div. B, title I, §1007(a), Feb. 17, 2009, 123 Stat. 317; Pub. L. 113-295, div. A, title II, §221(a)(15), Dec. 19, 2014, 128 Stat. 4039.)

AMENDMENTS

2014—Subsec. (c). Pub. L. 113-295 struck out subsec. (c). Text read as follows: “In the case of any taxable year beginning in 2009, gross income shall not include so much of the unemployment compensation received by an individual as does not exceed \$2,400.”

2009—Subsec. (c). Pub. L. 111-5 added subsec. (c).

1986—Subsec. (a). Pub. L. 99-514 substituted “General rule” for “In general” in heading and amended text generally. Prior to amendment, text read as follows: “If the sum for the taxable year of the adjusted gross income of the taxpayer (determined without regard to this section, section 86 and section 221) and the unemployment compensation exceeds the base amount, gross income for the taxable year includes unemployment compensation in an amount equal to the lesser of—

“(1) one-half of the amount of the excess of such sum over the base amount, or

“(2) the amount of the unemployment compensation.”

Subsecs. (b), (c). Pub. L. 99-514, in amending section generally, redesignated former subsec. (c) as (b) and struck out former subsec. (b), “Base amount defined”, which read as follows: “For purposes of this section, the term ‘base amount’ means—

“(1) except as provided in paragraphs (2) and (3), \$12,000,

“(2) \$18,000, in the case of a joint return under section 6013, or

“(3) zero, in the case of a taxpayer who—

“(A) is married at the close of the taxable year (within the meaning of section 143) but does not file a joint return for such year, and

“(B) does not live apart from his spouse at all times during the taxable year.”

1983—Subsec. (a). Pub. L. 98-21, §122(c)(2), struck out “, section 105(d),” after “section 86”.

Pub. L. 98-21, §121(f)(1), inserted “section 86,” after “this section.”

1982—Subsec. (b)(1). Pub. L. 97-248, §611(a)(1), substituted “\$12,000” for “\$20,000”.

Subsec. (b)(2). Pub. L. 97-248, §611(a)(2), substituted “\$18,000” for “\$25,000”.

1981—Subsec. (a). Pub. L. 97-34 substituted “this section, section 105(d), and section 221” for “this section and without regard to section 105(d)” in parenthetical provision preceding par. (1).

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

Pub. L. 111-5, div. B, title I, §1007(b), Feb. 17, 2009, 123 Stat. 317, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008.”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to amounts received after Dec. 31, 1986, in taxable years ending after such date, see section 151(b) of Pub. L. 99-514, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by section 121(f)(1) of Pub. L. 98-21 applicable to benefits received after Dec. 31, 1983, in taxable years ending after such date, except for any portion of a lump-sum payment of social security benefits received after Dec. 31, 1983, if the generally applicable payment date for such portion was before Jan. 1, 1984, see section 121(g) of Pub. L. 98-21, set out as an Effective Date note under section 86 of this title.

Amendment by section 122(c)(2) of Pub. L. 98-21 applicable to taxable years beginning after Dec. 31, 1983, except that if an individual’s annuity starting date was deferred under section 105(d)(6) of this title as in effect on the day before Apr. 20, 1983, such deferral shall end on the first day of such individual’s first taxable year beginning after Dec. 31, 1983, see section 122(d) of Pub. L. 98-21, set out as a note under section 22 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title VI, §611(b), Sept. 3, 1982, 96 Stat. 706, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) COMPENSATION PAID AFTER 1981.—The amendments made by this section [amending this section] shall apply to payments of unemployment compensation made after December 31, 1981, in taxable years ending after such date.

“(2) NO ADDITION TO TAX FOR UNDERPAYMENT OF ESTIMATED TAX ATTRIBUTABLE TO APPLICATION OF AMENDMENTS TO COMPENSATION PAID IN 1982.—No addition to tax shall be made under section 6654 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] with respect to any underpayment to the extent such underpayment is attributable to unemployment compensation which is received during 1982 and which (but for the amendments made by subsection (a)) would not be includable in gross income.

“(3) SPECIAL RULE FOR FISCAL YEAR TAXPAYERS.—In the case of a taxable year (other than a calendar year) which includes January 1, 1982—

“(A) the amendments made by this section shall be applied by taking into account the entire amount of unemployment compensation received during such taxable year, but

“(B) the increase in gross income for such taxable year as a result of such amendments shall not exceed the amount of unemployment compensation paid after December 31, 1981.

“(4) UNEMPLOYMENT COMPENSATION DEFINED.—For purposes of this subsection, the term ‘unemployment compensation’ has the meaning given to such term by section 85(c) [now 85(b)] of the Internal Revenue Code of 1986.”

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable to taxable years beginning after Dec. 31, 1981, see section 103(d) of