

291(e)(1)(B) of the Internal Revenue Code of 1986, any tax-exempt obligation which is acquired after August 7, 1986, pursuant to a direct or indirect written commitment—

“(A) to purchase or repurchase such obligation, and  
“(B) entered into on or before September 25, 1985,  
shall be treated as an obligation acquired before August 8, 1986.

“(3) TRANSITIONAL RULES.—For purposes of sections 265(b) and 291(e)(1)(B) of the Internal Revenue Code of 1986, obligations with respect to any of the following projects shall be treated as obligations acquired before August 8, 1986, in the hands of the first and any subsequent financial institution acquiring such obligations:

- “(A) Park Forest, Illinois, redevelopment project.
- “(B) Clinton, Tennessee, Carriage Trace project.
- “(C) Savannah, Georgia, Mall Terrace Warehouse project.
- “(D) Chattanooga, Tennessee, Warehouse Row project.
- “(E) Dalton, Georgia, Towne Square project.
- “(F) Milwaukee, Wisconsin, Standard Electric Supply Company—distribution facility.
- “(G) Wausau, Wisconsin, urban renewal project.
- “(H) Cassville, Missouri, UDAG project.
- “(I) Outlook Envelope Company—plant expansion.
- “(J) Woodstock, Connecticut, Crabtree Warehouse partnership.
- “(K) Louisville, Kentucky, Speed Mansion renovation project.
- “(L) Charleston, South Carolina, 2 Festival Market Place projects at Union Pier Terminal and 1 project at the Remount Road Container Yard, State Pier No. 15 at North Charleston Terminal.
- “(M) New Orleans, Louisiana, Upper Pontalba Building renovation.
- “(N) Woodward Wight Building.
- “(O) Minneapolis, Minnesota, Miller Milling Company—flour mill project.
- “(P) Homewood, Alabama, the Club Apartments.
- “(Q) Charlotte, North Carolina—qualified mortgage bonds acquired by NCNB bank (\$5,250,000).
- “(R) Grand Rapids, Michigan, Central Bank project.
- “(S) Ruppman Marketing Services, Inc.—building project.
- “(T) Bellows Falls, Vermont—building project.
- “(U) East Broadway Project, Louisville, Kentucky.
- “(V) O.K. Industries, Oklahoma.

“(4) ADDITIONAL TRANSITIONAL RULE.—Obligations issued pursuant to an allocation of a State’s volume limitation for private activity bonds, which allocation was made by Executive Order 25 signed by the Governor of the State on May 22, 1986 (as such order may be amended before January 1, 1987), and qualified 501(c)(3) bonds designated by such Governor for purposes of this paragraph, shall be treated as acquired on or before August 7, 1986, in the hands of the first and any subsequent financial institution acquiring such obligation. The aggregate face amount of obligations to which this paragraph applies shall not exceed \$200,000,000.”

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 16(a) of Pub. L. 98-369 applicable to taxable years ending after Dec. 31, 1983, see section 18(a) of Pub. L. 98-369, set out as a note under section 48 of this title.

Amendment by section 56(c) of Pub. L. 98-369 applicable to short sales after July 18, 1984, in taxable years ending after that date, see section 56(d) of Pub. L. 98-369, set out as a note under section 163 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-34, title III, §301(d), Aug. 13, 1981, 95 Stat. 270, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [enacting section 128 of this title and amending this section and sections 584, 643, and 702 of this title] shall apply to taxable years ending after September 30, 1981.

“(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(6) [amending sections 584, 643, and 702 of this title] shall apply to taxable years beginning after December 31, 1981.”

EFFECTIVE AND TERMINATION DATES OF 1980 AMENDMENT

Pub. L. 96-223, title IV, §404(c), Apr. 2, 1980, 94 Stat. 308, as amended by Pub. L. 97-34, title III, §302(b)(1), Aug. 13, 1981, 95 Stat. 272, provided that: “The amendments made by this section [amending this section and sections 116, 584, 643, 702, 854, and 857 of this title] shall apply with respect to taxable years beginning after December 31, 1980, and before January 1, 1982.”

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1901(a)(37) of Pub. L. 94-455 effective for taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as a note under section 2 of this title.

Amendment by section 2137(e) of Pub. L. 94-455 effective for taxable years beginning after Dec. 31, 1975, see section 2137(e) of Pub. L. 94-455, set out as a note under section 852 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Pub. L. 88-272, title II, §216(b), Feb. 26, 1964, 78 Stat. 56, provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to taxable years ending after the date of the enactment of this Act [Feb. 21, 1964].”

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.

CLARIFICATION OF TREATMENT OF AMOUNTS EXCLUDED UNDER SECTION 597

Pub. L. 99-514, title IX, §904(c)(2)(B), Oct. 22, 1986, 100 Stat. 2385, provided that this section shall not deny any deduction by reason of such deduction being allocable to amounts excluded from gross income under section 597 of this title as in effect on Oct. 21, 1986, prior to repeal by Pub. L. 101-73, title XIV, §1401(a)(3)(B), Aug. 9, 1989, 103 Stat. 549.

§ 266. Carrying charges

No deduction shall be allowed for amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the Secretary, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

(Aug. 16, 1954, ch. 736, 68A Stat. 78; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 267. Losses, expenses, and interest with respect to transactions between related taxpayers

(a) In general

(1) Deduction for losses disallowed

No deduction shall be allowed in respect of any loss from the sale or exchange of property,