

for taxable years ending after Dec. 31, 1975, see section 305(b)(1) of Pub. L. 94-12, set out as a note under section 11 of this title.

EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 applicable to taxable years ending after Dec. 31, 1969, see section 301(c) of Pub. L. 91-172, set out as a note under section 5 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-272 applicable to taxable years beginning after Dec. 31, 1963, see section 234(c) of Pub. L. 88-272, set out as a note under section 1503 of this title.

APPLICABILITY OF CERTAIN AMENDMENTS BY PUBLIC LAW 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For applicability of amendment by Pub. L. 99-514 notwithstanding any treaty obligation of the United States in effect on Oct. 22, 1986, see section 1012(aa)(2) of Pub. L. 100-647, set out as a note under section 861 of this title.

PART III—CHANGES IN RATES DURING A TAXABLE YEAR

Sec.
15. Effect of changes.

AMENDMENTS

1984—Pub. L. 98-369, div. A, title IV, § 474(b)(3), July 18, 1984, 98 Stat. 830, substituted “15. Effect of changes” for “21. Effect of changes”.

§ 15. Effect of changes

(a) General rule

If any rate of tax imposed by this chapter changes, and if the taxable year includes the effective date of the change (unless that date is the first day of the taxable year), then—

(1) tentative taxes shall be computed by applying the rate for the period before the effective date of the change, and the rate for the period on and after such date, to the taxable income for the entire taxable year; and

(2) the tax for such taxable year shall be the sum of that proportion of each tentative tax which the number of days in each period bears to the number of days in the entire taxable year.

(b) Repeal of tax

For purposes of subsection (a)—

(1) if a tax is repealed, the repeal shall be considered a change of rate; and

(2) the rate for the period after the repeal shall be zero.

(c) Effective date of change

For purposes of subsections (a) and (b)—

(1) if the rate changes for taxable years “beginning after” or “ending after” a certain date, the following day shall be considered the effective date of the change; and

(2) if a rate changes for taxable years “beginning on or after” a certain date, that date shall be considered the effective date of the change.

(d) Section not to apply to inflation adjustments

This section shall not apply to any change in rates under subsection (f) of section 1 (relating

to adjustments in tax tables so that inflation will not result in tax increases).

(e) References to highest rate

If the change referred to in subsection (a) involves a change in the highest rate of tax imposed by section 1 or 11(b), any reference in this chapter to such highest rate (other than in a provision imposing a tax by reference to such rate) shall be treated as a reference to the weighted average of the highest rates before and after the change determined on the basis of the respective portions of the taxable year before the date of the change and on or after the date of the change.

(f) Rate reductions enacted by Economic Growth and Tax Relief Reconciliation Act of 2001

This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).

(Aug. 16, 1954, ch. 736, 68A Stat. 12, § 21; Pub. L. 88-272, title I, § 132, Feb. 26, 1964, 78 Stat. 30; Pub. L. 91-172, title VIII, § 803(e), Dec. 30, 1969, 83 Stat. 685; Pub. L. 92-178, title II, § 205, Dec. 10, 1971, 85 Stat. 511; Pub. L. 94-12, title III, § 305(b)(2), Mar. 29, 1975, 89 Stat. 45; Pub. L. 94-164, § 4(d)(2), Dec. 23, 1975, 89 Stat. 975; Pub. L. 94-455, title IX, § 901(c)(2), Oct. 4, 1976, 90 Stat. 1607; Pub. L. 95-30, title I, § 101(d)(2), May 23, 1977, 91 Stat. 133; Pub. L. 95-600, title I, § 106, Nov. 6, 1978, 92 Stat. 2776; Pub. L. 97-34, title I, § 101(d)(3), Aug. 13, 1981, 95 Stat. 184; renumbered § 15, Pub. L. 98-369, div. A, title IV, § 474(b)(1), July 18, 1984, 98 Stat. 830; Pub. L. 99-514, title I, § 101(b), Oct. 22, 1986, 100 Stat. 2099; Pub. L. 100-647, title I, § 1006(a), Nov. 10, 1988, 102 Stat. 3393; Pub. L. 107-16, title I, § 101(c)(3), June 7, 2001, 115 Stat. 43.)

AMENDMENTS

2001—Subsec. (f). Pub. L. 107-16, § 101(c)(3), added subsec. (f).

1988—Subsec. (e). Pub. L. 100-647 added subsec. (e).

1986—Subsec. (d). Pub. L. 99-514 amended subsec. (d) generally, substituting “apply to inflation adjustments” for “apply to section 1 rate changes made by Economic Recovery Tax Act of 1981” in heading and struck out “section 1 attributable to the amendments made by section 101 of the Economic Tax Act of 1981 or” before “subsection (f)” in text.

1984—Pub. L. 98-369 renumbered section 21 of this title as this section.

1981—Subsec. (d). Pub. L. 97-34 substituted provisions that this section shall not apply to any change in rates under section 1 attributable to the amendments made by section 101 of the Economic Recovery Tax Act of 1981 or subsec. (f) of section 1 for provisions that had related to the changes made by section 303(b) of the Tax Reduction Act of 1975 in the surtax exemption.

Subsecs. (e), (f). Pub. L. 97-34 struck out subsecs. (e) and (f) which had related, respectively, to changes made by the Tax Reduction and Simplification Act of 1977 and to changes made by Revenue Act of 1978.

1978—Subsec. (f). Pub. L. 95-600 added subsec. (f).

1977—Subsec. (d). Pub. L. 95-30, § 101(d)(2)(A), (B), redesignated subsec. (f) as (d). Former subsec. (d), which directed that, in applying subsec. (a) to a taxable year of an individual which was not a calendar year, each change made by the Tax Reform Act of 1969 in part I or in the application of part IV or V of subchapter B for purposes of the determination of taxable income should be treated as a change in a rate of tax, was struck out.

Subsec. (e). Pub. L. 95-30, § 101(d)(2)(A), (C), added subsec. (e). Former subsec. (e), which directed that, in applying subsec. (a) to a taxable year of an individual

which was not a calendar year, each change made by the Revenue Act of 1971 in section 141 (relating to the standard deduction) and section 151 (relating to personal exemptions) should be treated as a change in a rate of tax, was struck out.

Subsec. (f). Pub. L. 95-30, §101(d)(2)(B), redesignated subsec. (f) as (d).

1976—Subsec. (f). Pub. L. 94-455 substituted “in the surtax exemption and any change under section 11(d) in the surtax exemption” for “and the change made by section 3(c) of the Revenue Adjustment Act of 1975 in section 11(d) (relating to corporate surtax exemption)”.

1975—Subsec. (f). Pub. L. 94-164 inserted reference to change made by section 3(c) of the Revenue Adjustment Act of 1975.

Pub. L. 94-12 added subsec. (f).

1971—Subsec. (e). Pub. L. 92-178 added subsec. (e).

1969—Subsec. (d). Pub. L. 91-172 substituted provisions covering changes made by the Tax Reform Act of 1969 in case of individuals for provisions covering changes made by Revenue Act of 1964.

1964—Subsec. (d). Pub. L. 88-272 amended subsection generally by substituting provisions relating to changes made by the Revenue Act of 1964, for provisions relating to taxable years beginning before Jan. 1, 1954, and ending after Dec. 31, 1953.

EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2000, see section 101(d)(1) of Pub. L. 107-16, set out as an Effective and Termination Dates of 2001 Amendment note under section 1 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by 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.

EFFECTIVE DATE OF 1986 AMENDMENT

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

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable to taxable years beginning after Dec. 31, 1981, see section 101(f)(1) of Pub. L. 97-34, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-30 applicable to taxable years beginning after Dec. 31, 1976, see section 106(a) of Pub. L. 95-30, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 applicable with respect to taxable years ending after Dec. 31, 1975, see section 901(d) of Pub. L. 94-455, set out as a note under section 11 of this title.

EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 94-164 applicable to taxable years beginning after Dec. 31, 1975, see section 4(e) of Pub. L. 94-164, set out as an Effective and Termination Dates of 1975 Amendments note under section 11 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Pub. L. 88-272, title I, §132, Feb. 26, 1964, 78 Stat. 30, provided that the amendment made by that section is effective with respect to taxable years ending after Dec. 31, 1963.

COORDINATION OF 1997 AMENDMENT WITH SECTION 15

Pub. L. 105-34, title I, §1(c), Aug. 5, 1997, 111 Stat. 788, provided that: “No amendment made by this Act [see

Tables for classification] shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.”

COORDINATION OF 1993 AMENDMENT WITH SECTION 15

Pub. L. 103-66, title XIII, §13001(c), Aug. 10, 1993, 107 Stat. 416, provided that: “Except in the case of the amendments made by section 13221 [amending sections 11, 852, 1201, and 1445 of this title] (relating to corporate rate increase), no amendment made by this chapter [chapter 1 (§§13001-13444) of title XIII of Pub. L. 103-66, see Tables for classification] shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.”

COORDINATION OF 1990 AMENDMENT WITH SECTION 15

Pub. L. 101-508, title XI, §11001(c), Nov. 5, 1990, 104 Stat. 1388-400, provided that: “Except as otherwise expressly provided in this title, no amendment made by this title [see Tables for classification] shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.”

COORDINATION OF 1987 AMENDMENT WITH SECTION 15

Pub. L. 100-203, title X, §10000(c), Dec. 22, 1987, 101 Stat. 1330-382, provided that: “No amendment made by this title [see Tables for classification] shall be treated as a change in a rate of tax for purposes [of] section 15 of the Internal Revenue Code of 1986.”

COORDINATION OF 1986 AMENDMENT WITH SECTION 15

Pub. L. 99-514, §3(b), Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of section 15 of the Internal Revenue Code of 1986, no amendment or repeal made by this Act [see Tables for classification] shall be treated as a change in the rate of a tax imposed by chapter 1 of such Code.

“(2) EXCEPTION.—Paragraph (1) shall not apply to the amendment made by section 601 [amending section 11 of this title] (relating to corporate rate reductions).”

PART IV—CREDITS AGAINST TAX

Subpart

- A. Nonrefundable personal credits.
- B. Other credits.
- C. Refundable credits.
- D. Business-related credits.
- E. Rules for computing investment credit.
- F. Rules for computing work opportunity credit.
- G. Credit against regular tax for prior year minimum tax liability.¹
- H. Nonrefundable credit to holders of clean renewable energy bonds.
- I. Qualified tax credit bonds.
- J. Build America bonds.

AMENDMENTS

2009—Pub. L. 111-5, div. B, title I, §1531(c)(6), Feb. 17, 2009, 123 Stat. 360, added item for subpart J.

2008—Pub. L. 110-234, title XV, §15316(c)(5), May 22, 2008, 122 Stat. 1511, and Pub. L. 110-246, title XV, §15316(c)(5), June 18, 2008, 122 Stat. 2273, made identical amendments, adding items for subparts H and I and striking out item for former subpart H “Nonrefundable credit to holders of certain bonds”. The amendment by Pub. L. 110-234 was repealed by Pub. L. 110-246, §4(a), June 18, 2008, 122 Stat. 1664.

2005—Pub. L. 109-58, title XIII, §1303(c)(1), Aug. 8, 2005, 119 Stat. 996, added item for subpart H.

1996—Pub. L. 104-188, title I, §§1201(e)(3), 1601(b)(2)(F)(ii), Aug. 20, 1996, 110 Stat. 1772, 1833, substituted “Other credits” for “Foreign tax credit, etc.” in item for subpart B and “work opportunity credit” for “targeted jobs credit” in item for subpart F.

¹ Editorially supplied. Subpart G of part IV added by Pub. L. 99-514 without corresponding amendment of part analysis.