

VII, §722(a)(3), July 18, 1984, 98 Stat. 973; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: “If—

“(I) any portion of a qualified stock purchase is pursuant to a binding contract entered into on or after September 1, 1982, and on or before the date of the enactment of this Act [Jan. 12, 1983], and

“(II) the purchasing corporation establishes by clear and convincing evidence that such contract was negotiated on the contemplation that, with respect to the deemed sale under section 338 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], the target corporation would be treated as a member of the affiliated group which includes the selling corporation, then the amendment made by clause (i) [amending subsec. (h)] shall not apply to such qualified stock purchase.”

[SUBPART C—REPEALED]

[§ 341. Repealed. Pub. L. 108-27, title III, § 302(e)(4)(A), May 28, 2003, 117 Stat. 763]

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 107; Pub. L. 85-866, title I, §20(a), Sept. 2, 1958, 72 Stat. 1615; Pub. L. 87-834, §13(f)(4), Oct. 16, 1962, 76 Stat. 1035; Pub. L. 88-272, title II, §231(b)(4), Feb. 26, 1964, 78 Stat. 105; Pub. L. 88-484, §1(a), Aug. 22, 1964, 78 Stat. 596; Pub. L. 89-570, §1(b)(4), Sept. 12, 1966, 80 Stat. 762; Pub. L. 91-172, title II, §211(b)(4), title V, §514(b)(1), Dec. 30, 1969, 83 Stat. 570, 643; Pub. L. 94-455, title II, §205(c)(2), title XIV, §1402(b)(1)(B), (2), title XIX, §§1901(b)(3)(A), (D), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1535, 1731, 1732, 1792, 1793, 1834; Pub. L. 97-34, title V, §505(c)(2), Aug. 13, 1981, 95 Stat. 332; Pub. L. 97-248, title II, §222(e)(5), Sept. 3, 1982, 96 Stat. 480; Pub. L. 98-369, div. A, title I, §§43(c)(1), 65(a)-(c), 135(a), title IV, §492(b)(2), title X, §1001(b)(2), (e), July 18, 1984, 98 Stat. 558, 584, 669, 854, 1011, 1012; Pub. L. 99-514, title VI, §631(e)(6), title XVIII, §§1804(i)(1), 1899A(8), Oct. 22, 1986, 100 Stat. 2273, 2807, 2958; Pub. L. 100-647, title I, §1006(e)(18), Nov. 10, 1988, 102 Stat. 3403; Pub. L. 104-188, title I, §1702(h)(7), Aug. 20, 1996, 110 Stat. 1874; Pub. L. 106-170, title V, §532(c)(2)(D), Dec. 17, 1999, 113 Stat. 1930; Pub. L. 107-147, title IV, §417(24)(B)(i), Mar. 9, 2002, 116 Stat. 57, related to collapsible corporations.

EFFECTIVE DATE OF REPEAL

Repeal applicable, except as otherwise provided, to taxable years beginning after Dec. 31, 2002, see section 302(f) of Pub. L. 108-27, set out as an Effective and Termination Dates of 2003 Amendment note under section 1 of this title.

[§ 342. Repealed. Pub. L. 94-455, title XIX, § 1901(a)(47), Oct. 4, 1976, 90 Stat. 1772]

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 110, related to liquidation of certain foreign personal holding companies.

EFFECTIVE DATE OF REPEAL

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

SUBPART D—DEFINITION AND SPECIAL RULE

Sec.
346. Definition and special rule.

AMENDMENTS

1982—Pub. L. 97-248, title II, §222(e)(8)(A), Sept. 3, 1982, 96 Stat. 481, inserted “and Special Rule” in subpart heading, and substituted “Definition and special rule” for “Partial liquidation defined” in item 346.

§ 346. Definition and special rule

(a) Complete liquidation

For purposes of this subchapter, a distribution shall be treated as in complete liquidation of a

corporation if the distribution is one of a series of distributions in redemption of all of the stock of the corporation pursuant to a plan.

(b) Transactions which might reach same result as partial liquidations

The Secretary shall prescribe such regulations as may be necessary to ensure that the purposes of subsections (a) and (b) of section 222 of the Tax Equity and Fiscal Responsibility Act of 1982 (which repeal the special tax treatment for partial liquidations) may not be circumvented through the use of section 355, 351, or any other provision of law or regulations (including the consolidated return regulations).

(Aug. 16, 1954, ch. 736, 68A Stat. 110; Pub. L. 97-248, title II, §222(d), Sept. 3, 1982, 96 Stat. 479; Pub. L. 99-514, title VI, §631(e)(7), Oct. 22, 1986, 100 Stat. 2273.)

REFERENCES IN TEXT

Subsections (a) and (b) of section 222 of the Tax Equity and Fiscal Responsibility Act of 1982, referred to in subsec. (b), are subsections (a) and (b) of Pub. L. 97-248, title II, §222, Sept. 3, 1982, 96 Stat. 478, which amended sections 331(a) and 336(a) of this title.

AMENDMENTS

1986—Subsec. (b). Pub. L. 99-514 struck out “337,” after “351.”

1982—Subsec. (a). Pub. L. 97-248 substituted provision that a distribution shall be treated as in complete liquidation if the distribution is one of a series in redemption of all the stock pursuant to a plan for provision that a distribution was to be treated as in partial liquidation if the distribution was one of a series in redemption of all the stock pursuant to a plan, or the distribution was not essentially equivalent to a dividend, was in redemption of part of the stock pursuant to a plan, and occurred within the taxable year or the next taxable year of the plan being adopted, including but not limited to a distribution which met the requirements of former subsec. (b) of this section, and that for the purposes of sections 562(b) and 6043 of this title, a partial liquidation included a redemption of stock to which section 302 of this title applied.

Subsec. (b). Pub. L. 97-248 added subsec. (b) and struck out former subsec. (b) which provided that a distribution was to be treated as in partial liquidation of a corporation if the distribution was attributable to the cessation of a business which had been carried on for the previous 5-year period and had not been acquired by the corporation in a transaction involving recognition of gain or loss during that time, and if the distributing corporation was actively involved in a trade or business immediately after the distribution under the terms described above for the business being liquidated, and that compliance with the above requirements would be determined without regard to whether or not the distribution was pro rata with respect to all the shareholders of the corporation.

Subsec. (c). Pub. L. 97-248 struck out subsec. (c) which provided that the fact that, with respect to a shareholder, a distribution qualified under section 302(a) by reason of section 302(b) would not be taken into account in determining whether the distribution, with respect to such shareholder, was also a distribution in partial liquidation of the corporation.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to any distribution in complete liquidation, and any sale or exchange, made by a corporation after July 31, 1986, unless such corporation is completely liquidated before Jan. 1, 1987, any transaction described in section 338 of this title for which the acquisition date occurs after Dec. 31, 1986, and any distribution, not in complete liq-