1976—Subsec. (a). Pub. L. 94–253, 1(b)(1), substituted "371(b), or 374" for "or 371(b)".

Subsec. (b)(1), (3). Pub. L. 94-455 struck out "or his delegate" after "Secretary".

Pub. L. 94-253, §1(b)(2), added par. (3).

1968—Subsec. (e). Pub. L. 90–621 substituted exchange of stock and securities for issuance of stock or securities as the transaction involved and inserted parenthetical provisions making reference to stock or securities of a corporation which is in control of the acquiring corporation.

1958—Subsec. (a)(1)(A)(iii). Pub. L. 85–866 added cl. (iii).

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107–147 effective as if included in the provisions of the Community Renewal Tax Relief Act of 2000 [H.R. 5662, as enacted by Pub. L. 106–554], to which such amendment relates, see section 412(e) of Pub. L. 107–147, set out as a note under section 151 of this title.

EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106–554, \$1(a)(7) [title III, \$309(d)], Dec. 21, 2000, 114 Stat. 2763, 2763A–638, provided that:

"(1) IN GENERAL.—The amendments made by this section [amending this section and section 357 of this title] shall apply to assumptions of liability after October 18, 1999.

"(2) RULES.—The rules prescribed under subsection (c) [see Application of Comparable Rules to Partnerships and S Corporations note below] shall apply to assumptions of liability after October 18, 1999, or such later date as may be prescribed in such rules."

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106–36 applicable to transfers after Oct. 18, 1998, see section 3001(e) of Pub. L. 106–36, set out as a note under section 351 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–34 applicable, with certain exceptions, to distributions after Apr. 16, 1997, pursuant to a plan (or series of related transactions) which involves an acquisition described in section 355(e)(2)(A)(ii) of this title occurring after such date, see section 1012(d) of Pub. L. 105–34, set out as a note under section 351 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 1978 AMENDMENT

Amendment by Pub. L. 95–600 applicable to transfers occurring on or after Nov. 6, 1978, see section 365(c) of Pub. L. 95–600, set out as a note under section 357 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94–253 applicable to taxable years ending after Mar. 31, 1976, see section 2 of Pub. L. 94–253, set out as a note under section 354 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

Pub. L. 90-621, §2(c), Oct. 22, 1968, 82 Stat. 1311, provided that: "The amendments made by subsections (a) and (b) [amending this section and section 362 of this title] shall apply only in respect of plans of reorganization adopted after the date of the enactment of this Act [Oct. 22, 1968]."

EFFECTIVE DATE OF 1958 AMENDMENT

Pub. L. 85–866, $\S21(b)$, Sept. 2, 1958, 72 Stat. 1620, as amended by Pub. L. 99–514, $\S2$, Oct. 22, 1986, 100 Stat.

2095, provided that: "The amendment made by subsection (a) [amending this section] shall apply as provided in section 393 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] as if the clause (iii) added by such amendment had been included in such Code at the time of its enactment [Aug. 16, 1954]."

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.

ABOLITION OF UNITED STATES RAILWAY ASSOCIATION AND TRANSFER OF FUNCTIONS

United States Railway Association abolished effective Apr. 1, 1987, all powers, duties, rights, and obligations of Association relating to Consolidated Rail Corporation under Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) transferred to Secretary of Transportation on Jan. 1, 1987, and any securities of Corporation held by Association transferred to Secretary of Transportation on Oct. 21, 1986, see section 1341 of Title 45, Railroads.

APPLICATION OF COMPARABLE RULES TO PARTNERSHIPS AND S CORPORATIONS

Pub. L. 106–554, 1(a)(7) [title III, 309(c)], Dec. 21, 2000, 114 Stat. 2763, 2763A–638, provided that: "The Secretary of the Treasury or his delegate—

"(1) shall prescribe rules which provide appropriate adjustments under subchapter K of chapter 1 of the Internal Revenue Code of 1986 to prevent the acceleration or duplication of losses through the assumption of (or transfer of assets subject to) liabilities described in section 358(h)(3) of such Code (as added by subsection (a)) in transactions involving partnerships, and

"(2) may prescribe rules which provide appropriate adjustments under subchapter S of chapter 1 of such Code in transactions described in paragraph (1) involving S corporations rather than partnerships."

SUBPART C-EFFECTS ON CORPORATION

Sec.

361. Nonrecognition of gain or loss to corporations; treatment of distributions.

362. Basis to corporations.

[363. Repealed.]

AMENDMENTS

1988—Pub. L. 100-647, title I, 1018(d)(5)(F), Nov. 10, 1988, 102 Stat. 3580, substituted "corporations; treatment of distributions." for "transferor corporation; other treatment of transferor corporation; etc." in item 361.

1986—Pub. L. 99-514, title XVIII, §1804(g)(3), Oct. 22, 1986, 100 Stat. 2806, substituted "to transferor corporation; other treatment of transferor corporation; etc." for "corporations" in item 361.

1976—Pub. L. 94-455, title XIX, §1901(b)(13), Oct. 4, 1976, 90 Stat. 1795, struck out item 363 "Effect on earnings and profits".

§ 361. Nonrecognition of gain or loss to corporations; treatment of distributions

(a) General rule

No gain or loss shall be recognized to a corporation if such corporation is a party to a reorganization and exchanges property, in pursuance of the plan of reorganization, solely for stock or securities in another corporation a party to the reorganization.