

**(2) Disqualified person**

For purposes of paragraph (1), the term “disqualified person” means, with respect to any partnership taxable year—

(A) any person referred to in paragraph (2) or (4) of section 613A(d) for such person’s taxable year in which such partnership taxable year ends, and

(B) any other person if such person’s average daily production of domestic crude oil and natural gas for such person’s taxable year in which such partnership taxable year ends exceeds 500 barrels.

**(3) Average daily production**

For purposes of paragraph (2), a person’s average daily production of domestic crude oil and natural gas for any taxable year shall be computed as provided in section 613A(c)(2)—

(A) by taking into account all production of domestic crude oil and natural gas (including such person’s proportionate share of any production of a partnership),

(B) by treating 6,000 cubic feet of natural gas as a barrel of crude oil, and

(C) by treating as 1 person all persons treated as 1 taxpayer under section 613A(c)(8) or among whom allocations are required under such section.

(Added Pub. L. 105–34, title XII, § 1221(a), Aug. 5, 1997, 111 Stat. 1007.)

## REPEAL OF SECTION

*Pub. L. 114–74, title XI, § 1101(b)(1), (g), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, this section is repealed.*

## EFFECTIVE DATE OF REPEAL

Repeal applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, see section 1101(g) of Pub. L. 114–74, set out as an Effective Date of 2015 Amendment note under section 6221 of this title.

**§ 777. Regulations**

The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this part.

(Added Pub. L. 105–34, title XII, § 1221(a), Aug. 5, 1997, 111 Stat. 1008.)

## REPEAL OF SECTION

*Pub. L. 114–74, title XI, § 1101(b)(1), (g), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, this section is repealed.*

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**Subchapter L—Insurance Companies**

Part

- I. Life insurance companies.
- II. Other insurance companies.

Part

III. Provisions of general application.

## AMENDMENTS

1988—Pub. L. 100–647, title I, § 1018(u)(32), Nov. 10, 1988, 102 Stat. 3592, redesignated parts III and IV as II and III, respectively, and struck out former Part II “Mutual insurance companies (other than life and certain marine insurance companies and other than fire or flood insurance companies which operate on basis of perpetual policies of premium deposits).”

1962—Pub. L. 87–834, § 8(g)(4)(A), Oct. 16, 1962, 76 Stat. 999, substituted “and certain marine insurance companies and other than fire or flood insurance companies which operate on basis of perpetual policies or premium deposits” for “or marine or fire insurance companies issuing perpetual policies” in heading of part II.

## PART I—LIFE INSURANCE COMPANIES

Subpart

- A. Tax imposed.
- B. Life insurance gross income.
- C. Life insurance deductions.
- D. Accounting, allocation, and foreign provisions.
- E. Definitions and special rules.

## SUBPART A—TAX IMPOSED

Sec.

801. Tax imposed.

**§ 801. Tax imposed****(a) Tax imposed****(1) In general**

A tax is hereby imposed for each taxable year on the life insurance company taxable income of every life insurance company. Such tax shall consist of a tax computed as provided in section 11 as though the life insurance company taxable income were the taxable income referred to in section 11.

**(2) Alternative tax in case of capital gains****(A) In general**

If a life insurance company has a net capital gain for the taxable year, then (in lieu of the tax imposed by paragraph (1)), there is hereby imposed a tax (if such tax is less than the tax imposed by paragraph (1)).

**(B) Amount of tax**

The amount of the tax imposed by this paragraph shall be the sum of—

- (i) a partial tax, computed as provided by paragraph (1), on the life insurance company taxable income reduced by the amount of the net capital gain, and
- (ii) an amount determined as provided in section 1201(a) on such net capital gain.

**(C) Net capital gain not taken into account in determining small life insurance company deduction**

For purposes of subparagraph (B)(i), the amount allowable as a deduction under paragraph (2) of section 804 shall be determined by reducing the tentative LICTI by the amount of the net capital gain (determined without regard to items attributable to non-insurance businesses).

**(b) Life insurance company taxable income**

For purposes of this part, the term “life insurance company taxable income” means—