

Subsec. (a)(4). Pub. L. 111-312, §760(a), inserted “and 2011” after “2010” in heading and substituted “January 1, 2012” for “January 1, 2011” in introductory provisions.

Pub. L. 111-240, §2011(a), added par. (4).

2009—Subsec. (a)(3). Pub. L. 111-5 added par. (3).

2004—Subsec. (e)(4)(C). Pub. L. 108-357 substituted “or REMIC” for “REMIC, or FASIT”.

2000—Pub. L. 106-554, §1(a)(7) [title I, §117(b)(2)], substituted “Partial” for “50-percent” in section catchline.

Subsec. (a). Pub. L. 106-554, §1(a)(7) [title I, §117(a)], amended heading and text of subsec. (a) generally. Prior to amendment, text read as follows: “In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.”

1996—Subsec. (e)(4)(C). Pub. L. 104-188 substituted “REMIC, or FASIT” for “or REMIC”.

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §126(b), Dec. 18, 2015, 129 Stat. 3054, provided that: “The amendments made by this section [amending this section] shall apply to stock acquired after December 31, 2014.”

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title I, §136(b), Dec. 19, 2014, 128 Stat. 4019, provided that: “The amendments made by this section [amending this section] shall apply to stock acquired after December 31, 2013.”

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title III, §324(c), Jan. 2, 2013, 126 Stat. 2333, provided that:

“(1) IN GENERAL.—The amendments made by subsection (a) [amending this section] shall apply to stock acquired after December 31, 2011.

“(2) SUBSECTION (B)(1).—The amendment made by subsection (b)(1) [amending this section] shall take effect as if included in section 1241(a) of division B of the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5].

“(3) SUBSECTION (B)(2).—The amendment made by subsection (b)(2) [amending this section] shall take effect as if included in section 2011(a) of the Creating Small Business Jobs Act of 2010 [title II of Pub. L. 111-240].”

Pub. L. 112-240, title III, §327(d), Jan. 2, 2013, 126 Stat. 2334, provided that: “The amendments made by this section [amending this section and section 1391 of this title] shall apply to periods after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §753(d), Dec. 17, 2010, 124 Stat. 3321, provided that: “The amendments made by this section [amending this section and section 1391 of this title] shall apply to periods after December 31, 2009.”

Pub. L. 111-312, title VII, §760(b), Dec. 17, 2010, 124 Stat. 3323, provided that: “The amendments made by this section [amending this section] shall apply to stock acquired after December 31, 2010.”

Pub. L. 111-240, title II, §2011(c), Sept. 27, 2010, 124 Stat. 2554, provided that: “The amendments made by this section [amending this section] shall apply to stock acquired after the date of the enactment of this Act [Sept. 27, 2010].”

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1241(b), Feb. 17, 2009, 123 Stat. 342, provided that: “The amendment made by this section [amending this section] shall apply to stock acquired after the date of the enactment of this Act [Feb. 17, 2009].”

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-357 effective Jan. 1, 2005, with exception for any FASIT in existence on Oct. 22,

2004, to the extent that regular interests issued by the FASIT before such date continue to remain outstanding in accordance with the original terms of issuance, see section 835(c) of Pub. L. 108-357, set out as a note under section 56 of this title.

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by Pub. L. 106-554 applicable to stock acquired after Dec. 21, 2000, see section 1(a)(7) [title I, §117(c)] of Pub. L. 106-554, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective Sept. 1, 1997, see section 1621(d) of Pub. L. 104-188, set out as a note under section 26 of this title.

EFFECTIVE DATE

Section applicable to stock issued after Aug. 10, 1993, see section 13113(e) of Pub. L. 103-66, set out as an Effective Date of 1993 Amendment note under section 53 of this title.

PART II—TREATMENT OF CAPITAL LOSSES

Sec.

1211. Limitation on capital losses.

1212. Capital loss carrybacks and carryovers.

AMENDMENTS

1969—Pub. L. 91-172, title V, §512(f)(2), Dec. 30, 1969, 83 Stat. 641, substituted “carrybacks and carryovers” for “carryover” in item 1212.

§ 1211. Limitation on capital losses

(a) Corporations

In the case of a corporation, losses from sales or exchanges of capital assets shall be allowed only to the extent of gains from such sales or exchanges.

(b) Other taxpayers

In the case of a taxpayer other than a corporation, losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus (if such losses exceed such gains) the lower of—

(1) \$3,000 (\$1,500 in the case of a married individual filing a separate return), or

(2) the excess of such losses over such gains.

(Aug. 16, 1954, ch. 736, 68A Stat. 321; Pub. L. 91-172, title V, §513(a), Dec. 30, 1969, 83 Stat. 642; Pub. L. 94-455, title V, §501(b)(6), title XIV, §1401(a), (b), Oct. 4, 1976, 90 Stat. 1559, 1731; Pub. L. 95-30, title I, §102(b)(14), May 23, 1977, 91 Stat. 138; Pub. L. 99-514, title III, §301(b)(10), Oct. 22, 1986, 100 Stat. 2217.)

AMENDMENTS

1986—Subsec. (b). Pub. L. 99-514 amended subsec. (b) generally, substituting present provisions for provisions which had declared in: par. (1), general rule for limitation on capital losses for taxpayer other than corporation; in par. (2), meaning of term “applicable amount”; and in par. (3), rule relating to computation of taxable income.

1977—Subsec. (b)(1)(A). Pub. L. 95-30 inserted “reduced (but not below zero) by the zero bracket amount” after “taxable year”.

1976—Subsec. (b)(1)(B). Pub. L. 94-455, §1401(a), substituted “the applicable amount” for “\$1,000”.

Subsec. (b)(2). Pub. L. 94-455, §1401(b), substituted provision relating to “applicable amount” for prior provision limiting amount of capital losses for married individuals and reading “In the case of a husband or