

ably should be “section”] shall not be treated as a change in a rate of tax for purposes of section 21 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954].”

#### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-34, title II, §231(c), Aug. 13, 1981, 95 Stat. 250, provided that: “The amendments made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1981.”

#### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-600, title III, §301(c), Nov. 6, 1978, 92 Stat. 2824, provided that: “The amendments made by this section [amending this section and sections 12, 57, 244, 247, 511, 527, 528, 802, 821, 826, 852, 857, 882, 907, 922, 962, 1351, 1551, 1561, 6154, and 6655 of this title] shall apply to taxable years beginning after December 31, 1978.”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Pub. L. 94-455, title IX, §901(d), Oct. 4, 1976, 90 Stat. 1607, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on December 23, 1975. The amendments made by subsection (b) [amending section 821 of this title] shall apply to taxable years ending after December 31, 1974. The amendments made by subsection (c) [amending sections 21, 1561, and 6154 of this title] shall apply to taxable years ending after December 31, 1975.”

#### EFFECTIVE AND TERMINATION DATES OF 1975 AMENDMENT

Pub. L. 94-164, §4(e), Dec. 23, 1975, 89 Stat. 975, provided that: “The amendments made by subsections (b), (c), and (d) [amending this section and sections 21, 962, and 1561 of this title] apply to taxable years beginning after December 31, 1975. The amendment made by subsection (c) [amending this section] ceases to apply for taxable years beginning after December 31, 1976.”

Pub. L. 94-12, title III, §305(b)(1), Mar. 29, 1975, 89 Stat. 45, provided that: “The amendments made by section 303 [amending this section and sections 12, 962, and 1561 of this title and enacting provisions set out as a note under this section] shall apply to taxable years ending after December 31, 1974. The amendments made by subsections (b) and (c) of such section [amending this section and sections 12, 962, and 1561 of this title and enacting provisions set out as a note under this section] shall cease to apply for taxable years ending after December 31, 1975.”

#### EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 applicable with respect to taxable years beginning after Dec. 31, 1969, see section 401(h)(2) of Pub. L. 91-172, set out as a note under section 1561 of this title.

#### EFFECTIVE DATE OF 1966 AMENDMENT

Pub. L. 89-809, title I, §104(n), Nov. 13, 1966, 80 Stat. 1563, provided that: “The amendments made by this section (other than subsection (k)) [enacting section 6683 to this title and amending this section and sections 245, 301, 512, 542, 543, 545, 819, 821, 822, 831, 832, 841, 842, 881, 882, 884, 952, 953, 1249, 1442, and 6016 of this title] shall apply with respect to taxable years beginning after December 31, 1966. The amendment made by subsection (k) [amending section 1248(d)(4) of this title] shall apply with respect to sales or exchanges occurring after December 31, 1966.”

#### EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-272, except for purposes of section 21 of this title, effective with respect to taxable years beginning after Dec. 31, 1963, see section 131 of Pub. L. 88-272, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1960 AMENDMENT

Amendment by Pub. L. 86-779 applicable with respect to taxable years of real estate investment trusts begin-

ning after Dec. 31, 1960, see section 10(k) of Pub. L. 86-779, set out as an Effective Date note under section 856 of this title.

#### ALLOCATION OF 1975 TAXABLE INCOME AMONG COMPONENT MEMBERS OF CONTROLLED GROUP OF CORPORATIONS

Pub. L. 94-12, title III, §303(c)(1), Mar. 29, 1975, 89 Stat. 44, provided in part that: “In applying subsection (b)(2) of section 11 [former subsec. (b)(2) of this section], the first \$25,000 of taxable income and the second \$25,000 of taxable income shall each be allocated among the component members of a controlled group of corporations in the same manner as the surtax exemption is allocated.”

## § 12. Cross references relating to tax on corporations

**(1) For tax on the unrelated business income of certain charitable and other corporations exempt from tax under this chapter, see section 511.**

**(2) For accumulated earnings tax and personal holding company tax, see parts I and II of subchapter G (sec. 531 and following).**

**(3) For doubling of tax on corporations of certain foreign countries, see section 891.**

**(4) For rate of withholding in case of foreign corporations, see section 1442.**

(Aug. 16, 1954, ch. 736, 68A Stat. 11; Pub. L. 88-272, title II, §234(b)(4), Feb. 26, 1964, 78 Stat. 115; Pub. L. 91-172, title III, §301(b)(3), Dec. 30, 1969, 83 Stat. 585; Pub. L. 94-12, title III, §303(c)(2), Mar. 29, 1975, 89 Stat. 44; Pub. L. 95-600, title III, §301(b)(1), Nov. 6, 1978, 92 Stat. 2820; Pub. L. 98-369, div. A, title IV, §474(r)(29)(E), July 18, 1984, 98 Stat. 844; Pub. L. 99-514, title VII, §701(e)(4)(B), Oct. 22, 1986, 100 Stat. 2343; Pub. L. 115-97, title I, §§12001(b)(12), 13001(b)(2)(B), Dec. 22, 2017, 131 Stat. 2094, 2096.)

#### AMENDMENTS

2017—Pars. (4) to (6). Pub. L. 115-97, §13001(b)(2)(B), redesignated par. (5) as (4) and struck out former pars. (4) and (6) which read as follows:

“(4) For alternative tax in case of capital gains, see section 1201(a).

“(6) For limitation on benefits of graduated rate schedule provided in section 11(b), see section 1551.”

Par. (7). Pub. L. 115-97, §12001(b)(12), struck out par. (7) which read as follows: “For alternative minimum tax, see section 55.”

1986—Par. (7). Pub. L. 99-514 amended par. (7) generally, substituting “alternative minimum tax” and “55” for “minimum tax for tax preferences” and “56”, respectively.

1984—Pars. (6) to (8). Pub. L. 98-369 redesignated pars. (7) and (8) as (6) and (7), respectively. Former par. (6), which referred to section 1451 for withholding of tax on tax-free covenant bonds, was struck out.

1978—Par. (7). Pub. L. 95-600 substituted “benefits of graduated rate schedule provided in section 11(b)” for “the \$25,000 exemption from surtax provided in section 11(c)”.

1975—Par. (7). Pub. L. 94-12 substituted “\$50,000” for “\$25,000” for a limited period. See Effective and Termination Dates of 1975 Amendment note set out below.

1969—Par. (8). Pub. L. 91-172 added par. (8).

1964—Par. (8). Pub. L. 88-272 struck out par. (8) which referred to section 1503 for additional tax for corporations filing consolidated returns.

#### EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by section 12001(b)(12) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 12001(c) of Pub. L. 115-97, set out as a note under section 11 of this title.

Amendment by section 13001(b)(2)(B) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 13001(c)(1) of Pub. L. 115-97, set out as a note under section 11 of this title.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 701(f) of Pub. L. 99-514, set out as an Effective Date note under section 55 of this title.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 not applicable with respect to obligations issued before Jan. 1, 1984, see section 475(b) of Pub. L. 98-369, set out as a note under section 33 of this title.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 applicable to taxable years beginning after Dec. 31, 1978, see section 301(c) of Pub. L. 95-600, set out as a note under section 11 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 1975 AMENDMENT

Amendment by Pub. L. 94-12 applicable to taxable years ending after Dec. 31, 1974, but to cease to apply 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