

Labor] shall take effect on the date of the enactment of this Act [July 6, 2012].”

Pub. L. 112-141, div. D, title II, §40242(h), July 6, 2012, 126 Stat. 864, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section, section 79 of this title, and section 1021 of Title 29, Labor] shall apply to transfers made after the date of the enactment of this Act [July 6, 2012].

“(2) CONFORMING AMENDMENTS RELATING TO PENSION PROTECTION ACT.—The amendments made by subsections (b)(3)(B) and (f) [amending this section] shall take effect as if included in the amendments made by section 841(a) of the Pension Protection Act of 2006 [Pub. L. 109-280].”

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-458 effective as if included in the provisions of Pub. L. 109-280 to which the amendment relates, except as otherwise provided, see section 112 of Pub. L. 110-458, set out as a note under section 72 of this title.

EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-28, title VI, §6612(c), May 25, 2007, 121 Stat. 181, provided that: “The amendments made by this section [amending this section] shall take effect as if included in the provisions of the Pension Protection Act of 2006 [Pub. L. 109-280] to which they relate.”

Pub. L. 110-28, title VI, §6613(b), May 25, 2007, 121 Stat. 181, provided that: “The amendment made by subsection (a) [amending this section] shall apply to transfers after the date of the enactment of this Act [May 25, 2007].”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by section 114(d) of Pub. L. 109-280 applicable to plan years beginning after 2007, see section 114(g)(1) of Pub. L. 109-280, as added by Pub. L. 110-458, set out as a note under section 401 of this title.

Pub. L. 109-280, title VIII, §841(b), Aug. 17, 2006, 120 Stat. 1009, provided that: “The amendments made by this section [amending this section] shall apply to transfers after the date of the enactment of this Act [Aug. 17, 2006].”

Pub. L. 109-280, title VIII, §842(b), Aug. 17, 2006, 120 Stat. 1009, provided that: “The amendment made by this section [amending this section] shall apply to transfers made in taxable years beginning after December 31, 2006.”

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-357, title VII, §709(b)(3), Oct. 22, 2004, 118 Stat. 1552, provided that: “The amendments made by this subsection [amending this section] shall apply to taxable years ending after the date of the enactment of this Act [Oct. 22, 2004].”

EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-170, title V, §535(c), Dec. 17, 1999, 113 Stat. 1935, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section and sections 1021, 1103, and 1108 of Title 29, Labor] shall apply to qualified transfers occurring after the date of the enactment of this Act [Dec. 17, 1999].

“(2) TRANSITION RULE.—If the cost maintenance period for any qualified transfer after the date of the enactment of this Act [Dec. 17, 1999] includes any portion of a benefit maintenance period for any qualified transfer on or before such date, the amendments made by subsection (b) [amending this section] shall not apply to such portion of the cost maintenance period (and such portion shall be treated as a benefit maintenance period).”

EFFECTIVE DATE OF 1994 AMENDMENT

Pub. L. 103-465, title VII, §731(d), Dec. 8, 1994, 108 Stat. 5004, provided that:

“(1) EXTENSION.—The amendments made by subsections (a) and (c)(3) [amending this section] shall apply to taxable years beginning after December 31, 1995.

“(2) BENEFITS.—The amendments made by subsections (b) and (c)(1) and (2) [amending this section] shall apply to qualified transfers occurring after the date of the enactment of this Act [Dec. 8, 1994].”

EFFECTIVE DATE

Pub. L. 101-508, title XII, §12011(c), Nov. 5, 1990, 104 Stat. 1388-571, provided that:

“(1) IN GENERAL.—The amendments made by this section [enacting this section and amending section 401 of this title] shall apply to transfers in taxable years beginning after December 31, 1990.

“(2) WAIVER OF ESTIMATED TAX PENALTIES.—No addition to tax shall be made under section 6654 or section 6655 of the Internal Revenue Code of 1986 for the taxable year preceding the taxpayer’s 1st taxable year beginning after December 31, 1990, with respect to any underpayment to the extent such underpayment was created or increased by reason of [former] section 420(b)(4)(B) of such Code (as added by subsection (a)).”

APPLICABILITY OF AMENDMENTS BY SUBTITLES A AND B OF TITLE I OF PUB. L. 109-280

For special rules on applicability of amendments by subtitles A (§§101-108) and B (§§111-116) of title I of Pub. L. 109-280 to certain eligible cooperative plans, PBGC settlement plans, and eligible government contractor plans, see sections 104, 105, and 106 of Pub. L. 109-280, set out as notes under section 401 of this title.

PART II—CERTAIN STOCK OPTIONS

Sec. 421.	General rules.
422.	Incentive stock options.
[422A.]	Renumbered.]
423.	Employee stock purchase plans.
424.	Definitions and special rules.
[425.]	Renumbered.]

AMENDMENTS

1990—Pub. L. 101-508, title XI, §11801(b)(6), (c)(9)(A)(ii), Nov. 5, 1990, 104 Stat. 1388-522, 1388-524, struck out items 422 “Qualified stock options” and 424 “Restricted stock options” and redesignated items 422A and 425 as 422 and 424, respectively.

1981—Pub. L. 97-34, title II, §251(b)(6), Aug. 13, 1981, 95 Stat. 259, added item 422A.

1964—Pub. L. 88-272, title II, §221(a), Feb. 26, 1964, 78 Stat. 63, substituted “CERTAIN STOCK OPTIONS” for “MISCELLANEOUS PROVISIONS” in part II heading, and “General rules” for “Employee stock options” in item 421, and added items 422-425.

§ 421. General rules

(a) Effect of qualifying transfer

If a share of stock is transferred to an individual in a transfer in respect of which the requirements of section 422(a) or 423(a) are met—

(1) no income shall result at the time of the transfer of such share to the individual upon his exercise of the option with respect to such share;

(2) no deduction under section 162 (relating to trade or business expenses) shall be allowable at any time to the employer corporation, a parent or subsidiary corporation of such corporation, or a corporation issuing or assuming a stock option in a transaction to which section 424(a) applies, with respect to the share so transferred; and

(3) no amount other than the price paid under the option shall be considered as re-