

TREATMENT OF EMPLOYEES OF PANAMA CANAL
COMMISSION AND DEPARTMENT OF DEFENSE

Pub. L. 99-514, title XII, §1232(b), Oct. 22, 1986, 100 Stat. 2564, provided that: "Employees of the Panama Canal Commission and civilian employees of the Defense Department of the United States stationed in Panama may exclude from gross income allowances which are comparable to the allowances excludable under section 912(1) of the Internal Revenue Code of 1986 by employees of the State Department of the United States stationed in Panama. The preceding sentence shall apply to taxable years beginning after December 31, 1986."

[§ 913. Repealed. Pub. L. 97-34, title I, § 112(a), Aug. 13, 1981, 95 Stat. 194]

Section, added Pub. L. 95-615, title II, §203(a), Nov. 8, 1978, 92 Stat. 3100; amended Pub. L. 96-222, title I, §108(a)(1)(B), (F), Apr. 1, 1980, 94 Stat. 223, 225; Pub. L. 96-608, §1(a), Dec. 28, 1980, 94 Stat. 3550, related to a deduction for certain expenses of living abroad.

EFFECTIVE DATE OF REPEAL

Repeal applicable with respect to taxable years beginning after Dec. 31, 1981, see section 115 of Pub. L. 97-34, set out as an Effective Date of 1981 Amendment note under section 911 of this title.

[SUBPART C—REPEALED]

[§§ 921 to 927. Repealed. Pub. L. 106-519, § 2, Nov. 15, 2000, 114 Stat. 2423]

Section 921, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 985, provided for exclusion from gross income of exempt foreign trade income.

A prior section 921, acts Aug. 16, 1954, ch. 736, 68A Stat. 290; Oct. 4, 1976, Pub. L. 94-455, title XIX, §1901(a)(116), 90 Stat. 1784, defined Western Hemisphere trade corporation, prior to repeal by Pub. L. 94-455, title X, §1052(b), Oct. 4, 1976, 90 Stat. 1648, effective with respect to taxable years beginning after Dec. 31, 1979.

Section 922, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 986, defined FSC's.

A prior section 922, acts Aug. 16, 1954, ch. 736, 68A Stat. 291; Dec. 10, 1971, Pub. L. 92-178, title V, §502(c), 85 Stat. 550; Oct. 4, 1976, Pub. L. 94-455, title X, §1052(a), (c)(1), 90 Stat. 1647, 1648; Nov. 6, 1978, Pub. L. 95-600, title III, §301(b)(15), 92 Stat. 2822, related to a special deduction for a Western Hemisphere trade corporation, prior to repeal by Pub. L. 94-455, title X, §1052(b), Oct. 4, 1976, 90 Stat. 1648, effective with respect to taxable years beginning after Dec. 31, 1979.

Section 923, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 986; amended Pub. L. 99-514, title XVIII, §1876(b)(3), Oct. 22, 1986, 100 Stat. 2898, related to exempt foreign trade income.

Section 924, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 987; amended Pub. L. 99-514, title XVIII, §1876(e)(2), (l), Oct. 22, 1986, 100 Stat. 2899, 2901, related to foreign trading gross receipts.

Section 925, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 990, related to transfer pricing rules.

Section 926, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 991, related to distributions to shareholders.

Section 927, added Pub. L. 98-369, div. A, title VIII, §801(a), July 18, 1984, 98 Stat. 991; amended Pub. L. 99-514, title XVIII, §1876(a)(1), (e)(1), (f)(1), (p)(5), Oct. 22, 1986, 100 Stat. 2897, 2899, 2902; Pub. L. 100-647, title I, §1012(bb)(8)(A), Nov. 10, 1988, 102 Stat. 3536; Pub. L. 101-508, title XI, §11704(a)(10), Nov. 5, 1990, 104 Stat. 1388-518; Pub. L. 103-66, title XIII, §13239(a), Aug. 10, 1993, 107 Stat. 509; Pub. L. 105-34, title XI, §1171(a), Aug. 5, 1997, 111 Stat. 987, related to other definitions and special rules.

EFFECTIVE DATE OF REPEAL

Repeal applicable to transactions after Sept. 30, 2000, with special rules relating to existing foreign sales cor-

porations, see section 5 of Pub. L. 106-519, set out as an Effective Date of 2000 Amendments note under section 56 of this title.

SUBPART D—POSSESSIONS OF THE UNITED STATES

Sec.	
931.	Income from sources within Guam, American Samoa, or the Northern Mariana Islands.
932.	Coordination of United States and Virgin Islands income taxes.
933.	Income from sources within Puerto Rico.
934.	Limitation on reduction in income tax liability incurred to the Virgin Islands.
	[934A, 935. Repealed.]
936.	Puerto Rico and possession tax credit. ¹
937.	Residence and source rules involving possessions.

AMENDMENTS

2004—Pub. L. 108-357, title VIII, §908(c)(6), Oct. 22, 2004, 118 Stat. 1657, added item 937.

1986—Pub. L. 99-514, title XII, §§1272(d)(12), 1274(d), 1275(c)(8), Oct. 22, 1986, 100 Stat. 2595, 2598, 2599, substituted "Guam, American Samoa, or the Northern Mariana Islands" for "possessions of the United States" in item 931, added item 932, and struck out former item 932 "Citizens of possessions of the United States", item 934A "Income tax rate on Virgin Islands source income" and item 935 "Coordination of United States and Guam individual income taxes".

1983—Pub. L. 97-455, §1(d)(1), Jan. 12, 1983, 96 Stat. 2498, added item 934A.

1972—Pub. L. 92-606, §1(f)(5), Oct. 31, 1972, 86 Stat. 1497, added item 935.

1960—Pub. L. 86-779, §4(a)(2), Sept. 14, 1960, 74 Stat. 999, added item 934.

§ 931. Income from sources within Guam, American Samoa, or the Northern Mariana Islands

(a) General rule

In the case of an individual who is a bona fide resident of a specified possession during the entire taxable year, gross income shall not include—

- (1) income derived from sources within any specified possession, and
- (2) income effectively connected with the conduct of a trade or business by such individual within any specified possession.

(b) Deductions, etc. allocable to excluded amounts not allowable

An individual shall not be allowed—

- (1) as a deduction from gross income any deductions (other than the deduction under section 151, relating to personal exemptions), or
- (2) any credit,

properly allocable or chargeable against amounts excluded from gross income under this section.

(c) Specified possession

For purposes of this section, the term "specified possession" means Guam, American Samoa, and the Northern Mariana Islands.

(d) Employees of the United States

Amounts paid for services performed as an employee of the United States (or any agency thereof) shall be treated as not described in paragraph (1) or (2) of subsection (a).

¹ Editorially supplied. Section 936 added by Pub. L. 94-455 without corresponding amendment of subpart analysis.