

an insurance company to which subchapter L applies (or issued by any foreign corporation to which such subchapter would apply if such foreign corporation were a domestic corporation).

(i) Regulations

The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

(B) transactions or arrangements designed, in whole or in part—

(i) to characterize payments otherwise subject to this section as payments not subject to this section, or

(ii) to substitute payments not subject to this section for payments otherwise subject to this section and

(2) for the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).

(Added Pub. L. 115-97, title I, §14401(a), Dec. 22, 2017, 131 Stat. 2226.)

REFERENCES IN TEXT

Section 15(a) of the Securities Exchange Act of 1934, referred to in subsec. (b)(3)(B)(ii), is classified to section 780(a) of Title 15, Commerce and Trade.

The date of the enactment of the Tax Cuts and Jobs Act, referred to in subsec. (c)(2)(B)(ii), probably means the date of enactment of title I of Pub. L. 115-97, which was approved Dec. 22, 2017. Prior versions of the bill that was enacted into law as Pub. L. 115-97 included such Short Title, but it was not enacted as part of title I of Pub. L. 115-97.

PRIOR PROVISIONS

A prior section 59A, added Pub. L. 99-499, title V, §516(a), Oct. 17, 1986, 100 Stat. 1770; amended Pub. L. 100-647, title II, §2001(c)(1), (3)(B), Nov. 10, 1988, 102 Stat. 3594; Pub. L. 101-508, title XI, §§11231(a)(1)(A), 11531(b)(3), 11801(c)(2)(E), Nov. 5, 1990, 104 Stat. 1388-444, 1388-490, 1388-523; Pub. L. 102-486, title XIX, §1915(c)(4), Oct. 24, 1992, 106 Stat. 3024, related to environmental tax, prior to repeal by Pub. L. 113-295, div. A, title II, §221(a)(12)(A), Dec. 19, 2014, 128 Stat. 4038.

EFFECTIVE DATE

Section applicable to base erosion payments (as defined in subsec. (d) of this section) paid or accrued in taxable years beginning after Dec. 31, 2017, see section 14401(e) of Pub. L. 115-97, set out as an Effective Date of 2017 Amendment note under section 26 of this title.

[PART VIII—REPEALED]

[§ 59B. Repealed. Pub. L. 101-234, title I, § 102(a), Dec. 13, 1989, 103 Stat. 1980]

Section, added Pub. L. 100-360, title I, §111(a), July 1, 1988, 102 Stat. 690, provided for imposition of a supplemental medicare premium.

EFFECTIVE DATE OF REPEAL

Pub. L. 101-234, title I, §102(d), Dec. 13, 1989, 103 Stat. 1981, provided that:

“(1) IN GENERAL.—Except as provided in this subsection, the provisions of this section [repealing sec-

tion 1395i-1a of Title 42, The Public Health and Welfare, enacting provisions set out as notes under section 6050F of this title and section 1395t of Title 42, and repealing provisions set out as a note under section 1395i-1a of Title 42] shall take effect January 1, 1990.

“(2) REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.—The repeal of section 111 of MCCA [Pub. L. 100-360, which enacted this section, amended section 6050F of this title, and enacted provisions set out as notes below] shall apply to taxable years beginning after December 31, 1988.”

EFFECTIVE DATE

Pub. L. 100-360, title I, §111(e), July 1, 1988, 102 Stat. 698, which provided that the enactment of this section and the amendment of section 6050F of this title applied to taxable years beginning after December 31, 1988, and that in case of a taxable year beginning in 1989, the premium imposed by this section should not be treated as a tax for purposes of applying section 6654 of this title, was repealed by Pub. L. 101-234, title I, §102(a), Dec. 13, 1989, 103 Stat. 1980.

ANNOUNCEMENT OF SUPPLEMENTAL PREMIUM RATE

Pub. L. 100-360, title I, §111(d), July 1, 1988, 102 Stat. 697, which provided that in the case of calendar year 1993 or any calendar year thereafter (1) not later than July 1 of such calendar year, the Secretary of the Treasury or his delegate was required to make an announcement of the estimated supplemental premium rate under this section for taxable years beginning in the following calendar year, and (2) not later than October 1 of such calendar year, the Secretary of the Treasury or his delegate was required to make an announcement of the actual supplemental premium rate under this section for such taxable years, was repealed by Pub. L. 101-234, title I, §102(a), Dec. 13, 1989, 103 Stat. 1980.

Subchapter B—Computation of Taxable Income

Part

- I. Definition of gross income, adjusted gross income, taxable income, etc.
- II. Items specifically included in gross income.
- III. Items specifically excluded from gross income.
- IV. Determination of marital status.¹
- V. Deductions for personal exemptions.
- VI. Itemized deductions for individuals and corporations.
- VII. Additional itemized deductions for individuals.
- VIII. Special deductions for corporations.
- IX. Items not deductible.
- X. Terminal railroad corporations and their shareholders.
- XI. Special rules relating to corporate preference items.

AMENDMENTS

1982—Pub. L. 97-248, title II, §204(c)(2), Sept. 3, 1982, 96 Stat. 427, added item for part XI.

1977—Pub. L. 95-30, title I, §101(e)(3), May 23, 1977, 91 Stat. 135, substituted “Determination of marital status” for “Standard deduction for individuals” in item for part IV.

1976—Pub. L. 94-455, title XIX, §1901(b)(4)(C), Oct. 4, 1976, 90 Stat. 1793, substituted “taxable income, etc.” for “and taxable income.” in item for part I.

1962—Pub. L. 87-870, §1(b), Oct. 23, 1962, 76 Stat. 1160, added item for part X.

PART I—DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, TAXABLE INCOME, ETC.

Sec.

61. Gross income defined.

¹ Part heading amended by Pub. L. 99-514 without corresponding amendment of analysis.

Sec.	
62.	Adjusted gross income defined.
63.	Taxable income defined.
64.	Ordinary income defined.
65.	Ordinary loss defined.
66.	Treatment of community income.
67.	2-percent floor on miscellaneous itemized deductions.
68.	Overall limitation on itemized deductions.

AMENDMENTS

1990—Pub. L. 101-508, title XI, §11103(d), Nov. 5, 1990, 104 Stat. 1388-407, added item 68.

1986—Pub. L. 99-514, title I, §132(d), Oct. 22, 1986, 100 Stat. 2116, added item 67.

1984—Pub. L. 98-369, div. A, title IV, §424(b)(2)(C), July 18, 1984, 98 Stat. 803, struck out “where spouses live apart” in item 66.

1980—Pub. L. 96-605, title I, §101(b), Dec. 28, 1980, 94 Stat. 3522, added item 66.

1976—Pub. L. 94-455, title XIX, §1901(b)(4)(A), (B), Oct. 4, 1976, 90 Stat. 1793, substituted “TAXABLE INCOME, ETC.” for “AND TAXABLE INCOME” in part heading, and added items 64 and 65.

§ 61. Gross income defined

(a) General definition

Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Annuities;
- (9) Income from life insurance and endowment contracts;
- (10) Pensions;
- (11) Income from discharge of indebtedness;
- (12) Distributive share of partnership gross income;
- (13) Income in respect of a decedent; and
- (14) Income from an interest in an estate or trust.

(b) Cross references

For items specifically included in gross income, see part II (sec. 71 and following). For items specifically excluded from gross income, see part III (sec. 101 and following).

(Aug. 16, 1954, ch. 736, 68A Stat. 17; Pub. L. 98-369, div. A, title V, §531(c), July 18, 1984, 98 Stat. 884; Pub. L. 115-97, title I, §11051(b)(1)(A), Dec. 22, 2017, 131 Stat. 2089.)

AMENDMENTS

2017—Subsec. (a)(8) to (15). Pub. L. 115-97 redesignated pars. (9) to (15) as (8) to (14), respectively, and struck out former par. (8) which read as follows: “Alimony and separate maintenance payments;”.

1984—Subsec. (a)(1). Pub. L. 98-369 inserted reference to fringe benefits.

EFFECTIVE DATE OF 2017 AMENDMENT

Pub. L. 115-97, title I, §11051(c), Dec. 22, 2017, 131 Stat. 2090, provided that: “The amendments made by this section [amending this section and sections 62, 121, 152, 219, 220, 223, 382, 408, 3402, 6724, and 7701 of this title and

repealing sections 71, 215, and 682 of this title] shall apply to—

“(1) any divorce or separation instrument (as defined in section 71(b)(2) of the Internal Revenue Code of 1986 as in effect before the date of the enactment of this Act [Dec. 22, 2017]) executed after December 31, 2018, and

“(2) any divorce or separation instrument (as so defined) executed on or before such date and modified after such date if the modification expressly provides that the amendments made by this section apply to such modification.”

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective Jan. 1, 1985, see section 531(h) of Pub. L. 98-369, set out as an Effective Date note under section 132 of this title.

TERMINATION DATE OF 1978 AMENDMENT

Pub. L. 95-615, §210(a), Nov. 8, 1978, 92 Stat. 3109, provided that: “Title I of this Act [probably means sections 1 to 8 of Pub. L. 95-615, see Short Title of 1978 Amendment note under section 1 of this title] (other than sections 4 and 5 thereof) [amending section 167 of this title, enacting provisions set out as notes under this section and sections 61 and 62 of this title, and amending provisions set out as notes under sections 117, 167, and 382 of this title] shall cease to have effect on the day after the date of the enactment of this Act [Nov. 8, 1978].”

REGULATIONS

Pub. L. 95-427, §1, Oct. 7, 1978, 92 Stat. 996, as amended by Pub. L. 96-167, §1, Dec. 29, 1979, 93 Stat. 1275; Pub. L. 97-34, title VIII, §801, Aug. 13, 1981, 95 Stat. 349; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(a) IN GENERAL.—No fringe benefit regulation shall be issued—

“(1) in final form on or after May 1, 1978, and on or before December 31, 1983, or

“(2) in proposed or final form on or after May 1, 1978, if such regulation has an effective date on or before December 31, 1983.

“(b) DEFINITION OF FRINGE BENEFIT REGULATION.—For purposes of subsection (a), the term ‘fringe benefit regulation’ means a regulation providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954].”

Pub. L. 95-615, §3, Nov. 8, 1978, 92 Stat. 3097, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that no regulations be issued in final form on or after Oct. 1, 1977, and before July 1, 1978, providing for inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], ceased to have effect on the day after Nov. 8, 1978, pursuant to section 210(a) of that Act.

NO GAIN RECOGNIZED FROM NET GIFTS MADE BEFORE MARCH 4, 1981

Pub. L. 98-369, div. A, title X, §1026, July 18, 1984, 98 Stat. 1031, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(a) IN GENERAL.—In the case of any transfer of property subject to gift tax made before March 4, 1981, for purposes of subtitle A of the Internal Revenue Code of 1986 [formerly I.R.C. 1954, 26 U.S.C. 1 et seq.], gross income of the donor shall not include any amount attributable to the donee’s payment of (or agreement to pay) any gift tax imposed with respect to such gift.

“(b) GIFT TAX DEFINED.—For purposes of subsection (a), the term ‘gift tax’ means—

“(1) the tax imposed by chapter 12 of such Code [26 U.S.C. 2501 et seq.], and

“(2) any tax imposed by a State (or the District of Columbia) on transfers by gifts.

“(c) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from subsection (a) is prevented on the date of the enactment of this Act