

section 7817 of Pub. L. 101-239, set out as a note under section 1 of this title.

#### EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1989, see section 6009(d) of Pub. L. 100-647, set out as an Effective Date of 1988 Amendment note under section 86 of this title.

#### PROMOTION OF PUBLIC AWARENESS OF PROGRAM

Pub. L. 100-647, title VI, §6009(b), Nov. 10, 1988, 102 Stat. 3690, provided that: "The Secretary of the Treasury or his delegate shall take such actions as may be necessary to make the general public aware of the program established by this section [enacting this section, amending sections 86, 219, and 469 of this title, renumbering former section 135 of this title as section 136 of this title, and enacting provisions set out as notes below and under section 86 of this title]."

#### PARENTAL ASSISTANCE WITH TUITION STAMP STUDY

Pub. L. 100-647, title VI, §6009(e), Nov. 10, 1988, 102 Stat. 3690, directed Secretary of the Treasury or his delegate, after consultation with Secretary of Education or his delegate, to conduct a study of feasibility of using stamps or similar programs to encourage and facilitate savings by parents towards purchase of Series EE bonds eligible for exclusion and to submit, not later than Dec. 31, 1989, results of such study, together with any recommendations deemed appropriate, to Committee on Ways and Means of House of Representatives and Committee on Finance of Senate.

### § 136. Energy conservation subsidies provided by public utilities

#### (a) Exclusion

Gross income shall not include the value of any subsidy provided (directly or indirectly) by a public utility to a customer for the purchase or installation of any energy conservation measure.

#### (b) Denial of double benefit

Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any expenditure to the extent of the amount excluded under subsection (a) for any subsidy which was provided with respect to such expenditure. The adjusted basis of any property shall be reduced by the amount excluded under subsection (a) which was provided with respect to such property.

#### (c) Energy conservation measure

##### (1) In general

For purposes of this section, the term "energy conservation measure" means any installation or modification primarily designed to reduce consumption of electricity or natural gas or to improve the management of energy demand with respect to a dwelling unit.

##### (2) Other definitions

For purposes of this subsection—

##### (A) Dwelling unit

The term "dwelling unit" has the meaning given such term by section 280A(f)(1).

##### (B) Public utility

The term "public utility" means a person engaged in the sale of electricity or natural gas to residential, commercial, or industrial customers for use by such customers. For purposes of the preceding sentence, the term

"person" includes the Federal Government, a State or local government or any political subdivision thereof, or any instrumentality of any of the foregoing.

#### (d) Exception

This section shall not apply to any payment to or from a qualified cogeneration facility or qualifying small power production facility pursuant to section 210 of the Public Utility Regulatory Policy Act of 1978.

(Added Pub. L. 102-486, title XIX, §1912(a), Oct. 24, 1992, 106 Stat. 3014; amended Pub. L. 104-188, title I, §1617(a), (b), Aug. 20, 1996, 110 Stat. 1858.)

#### REFERENCES IN TEXT

Section 210 of the Public Utility Regulatory Policy Act of 1978, referred to in subsec. (d), probably means section 210 of the Public Utility Regulatory Policies Act of 1978, Pub. L. 95-617, which is classified to section 824a-3 of Title 16, Conservation.

#### PRIOR PROVISIONS

A prior section 136 was renumbered section 140 of this title.

#### AMENDMENTS

1996—Subsec. (a). Pub. L. 104-188, §1617(b)(1), reenacted heading without change and amended text generally, substituting present provisions for former provisions which consisted of general exclusion in par. (1) and limitation for exclusion on nonresidential property in par. (2).

Subsec. (c)(1). Pub. L. 104-188, §1617(a), substituted "energy demand with respect to a dwelling unit." for "energy demand—

"(A) with respect to a dwelling unit, and

"(B) on or after January 1, 1995, with respect to property other than dwelling units.

The purchase and installation of specially defined energy property shall be treated as an energy conservation measure described in subparagraph (B)."

Subsec. (c)(2). Pub. L. 104-188, §1617(b)(2), struck out "and special rules" after "definitions" in heading, redesignated subpars. (B) and (C) as (A) and (B), respectively, and struck out former subpar. (A) which related to "specially defined energy property".

#### EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-188, title I, §1617(c), Aug. 20, 1996, 110 Stat. 1858, provided that: "The amendments made by this section [amending this section] shall apply to amounts received after December 31, 1996, unless received pursuant to a written binding contract in effect on September 13, 1995, and at all times thereafter."

#### EFFECTIVE DATE

Pub. L. 102-486, title XIX, §1912(c), Oct. 24, 1992, 106 Stat. 3016, provided that: "The amendments made by this section [enacting this section and renumbering former section 136 as 137] shall apply to amounts received after December 31, 1992."

### § 137. Adoption assistance programs

#### (a) Exclusion

##### (1) In general

Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

##### (2) \$10,000 exclusion for adoption of child with special needs regardless of expenses

In the case of an adoption of a child with special needs which becomes final during a