

- (i) an S corporation shall be treated as a partnership, and
- (ii) any shareholder of the S corporation shall be treated as a partner of such partnership.

The preceding sentence shall not apply for purposes of determining whether stock in the S corporation is constructively owned by any person.

(b) Cross references

For provisions to which the rules contained in subsection (a) apply, see—

- (1) section 302 (relating to redemption of stock);
- (2) section 304 (relating to redemption by related corporations);
- (3) section 306(b)(1)(A) (relating to disposition of section 306 stock);
- (4) section 338(h)(3) (defining purchase);
- (5) section 382(l)(3) (relating to special limitations on net operating loss carryovers);
- (6) section 856(d) (relating to definition of rents from real property in the case of real estate investment trusts);
- (7) section 958(b) (relating to constructive ownership rules with respect to controlled foreign corporations); and
- (8) section 6038(e)(2) (relating to information with respect to certain foreign corporations).

(Aug. 16, 1954, ch. 736, 68A Stat. 99; Pub. L. 86-779, § 10(h), Sept. 14, 1960, 74 Stat. 1009; Pub. L. 87-834, § 20(d)(1), Oct. 16, 1962, 76 Stat. 1063; Pub. L. 88-554, § 4(a), (b)(2), Aug. 31, 1964, 78 Stat. 762, 763; Pub. L. 97-248, title II, § 224(c)(3), Sept. 3, 1982, 96 Stat. 489; Pub. L. 98-369, div. A, title VII, §§ 712(k)(5)(E), 721(j), July 18, 1984, 98 Stat. 950, 969; Pub. L. 99-514, title VI, § 621(c)(1), Oct. 22, 1986, 100 Stat. 2266; Pub. L. 105-34, title XI, § 1142(e)(3), Aug. 5, 1997, 111 Stat. 983; Pub. L. 109-135, title IV, § 412(u), Dec. 21, 2005, 119 Stat. 2638.)

AMENDMENTS

2005—Subsec. (b)(8). Pub. L. 109-135 substituted “section 6038(e)(2)” for “section 6038(d)(2)”.

1997—Subsec. (b)(8). Pub. L. 105-34 substituted “6038(d)(2)” for “6038(d)(1)”.

1986—Subsec. (b)(5). Pub. L. 99-514 substituted “382(l)(3)” for “382(a)(3)”.

1984—Subsec. (a)(5)(E). Pub. L. 98-369, § 721(j), added subpar. (E).

Subsec. (b)(4). Pub. L. 98-369, § 712(k)(5)(E), substituted “section 338(h)(3) (defining purchase)” for “section 338(h)(3)(B) (relating to purchase of stock from subsidiaries, etc.)”.

1982—Subsec. (b)(4). Pub. L. 97-248 substituted “section 338(h)(3)(B) (relating to purchase of stock from subsidiaries, etc.)” for “section 334(b)(3)(C) (relating to basis of property received in certain liquidations of subsidiaries)”.

1964—Subsec. (a). Pub. L. 88-554, § 4(a), struck out sidewise attribution by providing that when stock is attributed to a partnership, estate, trust, or corporation from a partner, shareholder, or beneficiary, this stock is not to be attributed again to another partner, beneficiary, or shareholder.

Subsec. (b)(7), (8). Pub. L. 88-554, § 4(b)(2), added par. (7) and redesignated former par. (7) as (8).

1962—Subsec. (b)(7). Pub. L. 87-834 added par. (7).

1960—Subsec. (b)(6). Pub. L. 86-779 added par. (6).

EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-34, title XI, § 1142(f), Aug. 5, 1997, 111 Stat. 983, provided that: “The amendments made by this section [amending this section and sections 901 and 6038 of this title] shall apply to annual accounting periods be-

ginning after the date of the enactment of this Act [Aug. 5, 1997].”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to any ownership change after Dec. 31, 1986, except as otherwise provided, see section 621(f) of Pub. L. 99-514, as amended, set out as a note under section 382 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 712(k)(5)(E) of Pub. L. 98-369 not applicable to any qualified stock purchase where the acquisition date is before Sept. 1, 1982, see section 712(k)(9)(A) of Pub. L. 98-369, set out as a note under section 338 of this title.

Amendment by section 712(k)(5)(E) of Pub. L. 98-369 effective as if included in the provision of the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. 97-248, to which such amendment relates, see section 715 of Pub. L. 98-369, set out as a note under section 31 of this title.

Amendment by section 721(j) of Pub. L. 98-369 effective as if included in the Subchapter S Revision Act of 1982, Pub. L. 97-354, see section 721(y)(1) of Pub. L. 98-369, set out as a note under section 1361 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 applicable to any target corporation with respect to which the acquisition date occurs after Aug. 31, 1982, with special rules for certain acquisitions before Sept. 1, 1982, and certain acquisitions of financial institutions in which there was a binding contract on July 22, 1982, to acquire control, see section 224(d) of Pub. L. 97-248, set out as an Effective Date note under section 338 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Pub. L. 88-554, § 4(c), Aug. 31, 1964, 78 Stat. 764, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “The amendments made by this section [amending this section and sections 304, 382, 856, 958, and 6038 of this title] shall take effect on the date of the enactment of this Act, [Aug. 31, 1964], except that, for purposes of sections 302 and 304 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], such amendments shall not apply with respect to distributions in payment for stock acquisitions or redemptions, if such acquisitions or redemptions occurred before the date of the enactment of this Act.”

EFFECTIVE DATE OF 1960 AMENDMENT

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

PART II—CORPORATE LIQUIDATIONS

Subpart

- A. Effects on recipients.
- B. Effects on corporation.
- [C. Repealed.]
- D. Definition and special rule.

AMENDMENTS

2003—Pub. L. 108-27, title III, § 302(e)(4)(B)(iii), May 28, 2003, 117 Stat. 764, struck out item for subpart C “Collapsible corporations”.

1982—Pub. L. 97-248, title II, § 222(e)(8)(B), Sept. 3, 1982, 96 Stat. 481, inserted “and special rule” in item for subpart D.

1976—Pub. L. 94-455, title XIX, § 1901(b)(12)(B), Oct. 4, 1976, 90 Stat. 1795, struck out in table of subparts for part II of subchapter C of chapter 1 in subpart (C) “; foreign personal holding companies” after “corporations”.