

tion beginning after Dec. 31, 1963, see section 225(l) of Pub. L. 88-272, set out as a note under section 316 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL  
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

**§ 563. Rules relating to dividends paid after close of taxable year**

**(a) Accumulated earnings tax**

In the determination of the dividends paid deduction for purposes of the accumulated earnings tax imposed by section 531, a dividend paid after the close of any taxable year and on or before the 15th day of the fourth month following the close of such taxable year shall be considered as paid during such taxable year.

**(b) Personal holding company tax**

In the determination of the dividends paid deduction for purposes of the personal holding company tax imposed by section 541, a dividend paid after the close of any taxable year and on or before the 15th day of the fourth month following the close of such taxable year shall, to the extent the taxpayer elects in its return for the taxable year, be considered as paid during such taxable year. The amount allowed as a dividend by reason of the application of this subsection with respect to any taxable year shall not exceed either—

- (1) The undistributed personal holding company income of the corporation for the taxable year, computed without regard to this subsection, or
- (2) 20 percent of the sum of the dividends paid during the taxable year, computed without regard to this subsection.

**(c) Dividends considered as paid on last day of taxable year**

For the purpose of applying section 562(a), with respect to distributions under subsection (a) or (b) of this section, a distribution made after the close of a taxable year and on or before the 15th day of the fourth month following the close of the taxable year shall be considered as made on the last day of such taxable year.

(Aug. 16, 1954, ch. 736, 68A Stat. 199; Pub. L. 91-172, title IX, §914(a), Dec. 30, 1969, 83 Stat. 723; Pub. L. 101-239, title VII, §7401(b), Dec. 19, 1989, 103 Stat. 2356; Pub. L. 108-357, title IV, §413(c)(10), Oct. 22, 2004, 118 Stat. 1507; Pub. L. 114-41, title II, §2006(a)(2)(B), July 31, 2015, 129 Stat. 457.)

AMENDMENTS

2015—Pub. L. 114-41 substituted “fourth month” for “third month” wherever appearing.

2004—Subsecs. (c), (d), Pub. L. 108-357 redesignated subsec. (d) as (c), substituted “subsection (a) or (b)” for “subsection (a), (b), or (c)”, and struck out former subsec. (c) which related to foreign personal holding company tax.

1989—Subsec. (c), Pub. L. 101-239, §7401(b)(1), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d), Pub. L. 101-239, §7401(b)(2), substituted “subsection (a), (b), or (c)” for “subsection (a) or (b)”.

Pub. L. 101-239, §7401(b)(1), redesignated former subsec. (c) as (d).

1969—Subsec. (b)(2), Pub. L. 91-172 substituted “20 percent” for “10 percent”.

EFFECTIVE DATE OF 2015 AMENDMENT

Amendment by Pub. L. 114-41 applicable to returns for taxable years beginning after Dec. 31, 2015, with special rule for certain C corporations, see section 2006(a)(3) of Pub. L. 114-41, set out as a note under section 170 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-357 applicable to taxable years of foreign corporations beginning after Dec. 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end, see section 413(d)(1) of Pub. L. 108-357, set out as an Effective and Termination Dates of 2004 Amendments note under section 1 of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 applicable to taxable years of foreign corporations beginning after July 10, 1989, with special rules for any foreign corporation required by the amendments made by section 7401 of Pub. L. 101-239 to change its taxable year for its first taxable year beginning after July 10, 1989, see section 7401(d) of Pub. L. 101-239, set out as an Effective Date note under section 898 of this title.

EFFECTIVE DATE OF 1969 AMENDMENT

Pub. L. 91-172, title IX, §914(b), Dec. 30, 1969, 83 Stat. 723, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1969.”

**§ 564. Dividend carryover**

**(a) General rule**

For purposes of computing the dividends paid deduction under section 561, in the case of a personal holding company the dividend carryover for any taxable year shall be the dividend carryover to such taxable year, computed as provided in subsection (b), from the two preceding taxable years.

**(b) Computation of dividend carryover**

The dividend carryover to the taxable year shall be determined as follows:

- (1) For each of the 2 preceding taxable years there shall be determined the taxable income computed with the adjustments provided in section 545 (whether or not the taxpayer was a personal holding company for either of such preceding taxable years), and there shall also be determined for each such year the deduction for dividends paid during such year as provided in section 561 (but determined without regard to the dividend carryover to such year).

- (2) There shall be determined for each such taxable year whether there is an excess of such taxable income over such deduction for dividends paid or an excess of such deduction for dividends paid over such taxable income, and the amount of each such excess.

- (3) If there is an excess of such deductions for dividends paid over such taxable income for the first preceding taxable year, such excess shall be allowed as a dividend carryover to the taxable year.