

(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

**(2) Step-up in basis**

Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

**(3) Coordination with section 684**

If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

**(i) Regulations**

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

(Added Pub. L. 110-245, title III, §301(a), June 17, 2008, 122 Stat. 1638; amended Pub. L. 113-295, div. B, title I, §102(e)(2), Dec. 19, 2014, 128 Stat. 4062; Pub. L. 115-97, title I, §11002(d)(1)(BB), Dec. 22, 2017, 131 Stat. 2060; Pub. L. 115-141, div. U, title IV, §401(a)(154), Mar. 23, 2018, 132 Stat. 1191.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**AMENDMENTS**

2018—Subsec. (g)(6). Pub. L. 115-141 substituted “220(f)(4)” for “220(e)(4)”.

2017—Subsec. (a)(3)(B)(i)(II). Pub. L. 115-97 substituted “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B) thereof”.

2014—Subsec. (e)(2). Pub. L. 113-295, §102(e)(2)(A), inserted “a qualified ABLE program (as defined in section 529A),” after “529,”.

Subsec. (g)(6). Pub. L. 113-295, §102(e)(2)(B), inserted “529A(c)(3),” after “529(c)(6),”.

**EFFECTIVE DATE OF 2017 AMENDMENT**

Amendment by Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

**EFFECTIVE DATE OF 2014 AMENDMENT**

Amendment by Pub. L. 113-295 applicable to taxable years beginning after Dec. 31, 2014, see section 102(f)(1) of Pub. L. 113-295, set out as a note under section 552a of Title 5, Government Organization and Employees.

**EFFECTIVE DATE**

Section applicable to any individual whose expatriation date is on or after June 17, 2008, see section 301(g)(1) of Pub. L. 110-245, set out as a note under section 2801 of this title.

**§ 878. Foreign educational, charitable, and certain other exempt organizations**

**For special provisions relating to foreign educational, charitable, and other exempt organizations, see sections 512(a) and 4948.**

(Aug. 16, 1954, ch. 736, 68A Stat. 282, § 877; renumbered § 878, Pub. L. 89-809, title I, §103(f)(1), Nov. 13, 1966, 80 Stat. 1551; amended Pub. L. 91-172, title I, § 101(j)(20), Dec. 30, 1969, 83 Stat. 528.)

**AMENDMENTS**

1969—Pub. L. 91-172 substituted provisions requiring reference to organizations in sections 512(a) and 4948 for provisions requiring reference to trusts in section 512(a), and struck out reference to unrelated business income.

**EFFECTIVE DATE OF 1969 AMENDMENT**

Amendment by Pub. L. 91-172 applicable to taxable years beginning after Dec. 31, 1969, see section 101(k)(2)(B) of Pub. L. 91-172, set out as an Effective Date note under section 4940 of this title.

**§ 879. Tax treatment of certain community income in the case of nonresident alien individuals**

**(a) General rule**

In the case of a married couple 1 or both of whom are nonresident alien individuals and who have community income for the taxable year, such community income shall be treated as follows:

(1) Earned income (within the meaning of section 911(d)(2)), other than trade or business income and a partner’s distributive share of partnership income, shall be treated as the income of the spouse who rendered the personal services,

(2) Trade or business income, and a partner’s distributive share of partnership income, shall be treated as provided in section 1402(a)(5),

(3) Community income not described in paragraph (1) or (2) which is derived from the separate property (as determined under the applicable community property law) of one spouse shall be treated as the income of such spouse, and

(4) All other such community income shall be treated as provided in the applicable community property law.

**(b) Exception where election under section 6013(g) is in effect**

Subsection (a) shall not apply for any taxable year for which an election under subsection (g) or (h) of section 6013 (relating to election to treat nonresident alien individual as resident of the United States) is in effect.

**(c) Definitions and special rules**

For purposes of this section—

**(1) Community income**

The term “community income” means income which, under applicable community property laws, is treated as community income.

**(2) Community property laws**

The term “community property laws” means the community property laws of a State, a foreign country, or a possession of the United States.