

management activities of any trade or business of the taxpayer if there is no other fixed location of such trade or business where the taxpayer conducts substantial administrative or management activities of such trade or business.”

Subsec. (d)(4)(A). Pub. L. 105-34, §312(d)(1), substituted “section 121” for “section 1034”.

1996—Subsec. (c)(1)(A). Pub. L. 104-188, §1704(t)(39), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “the principal place of business for any trade or business of the taxpayer.”

Subsec. (c)(2). Pub. L. 104-188, §1113(a), substituted “inventory or product samples” for “inventory”.

1988—Subsec. (c)(5). Pub. L. 100-647 inserted “(or rental activity)” after “trade or business” in subpar. (B)(ii) and inserted at end “Any amount taken into account for any taxable year under the preceding sentence shall be subject to the limitation of the 1st sentence of this paragraph whether or not the dwelling unit is used as a residence during such taxable year.”

1986—Subsec. (c)(5)(B). Pub. L. 99-514, §143(c), added subpar. (B) and struck out former subpar. (B) which read as follows: “the deductions allocable to such use which are allowable under this chapter for the taxable year whether or not such unit (or portion thereof) was so used.”

Subsec. (c)(6). Pub. L. 99-514, §143(b), added par. (6).

1982—Subsecs. (a), (e)(1). Pub. L. 97-354, §5(a)(26)(A), (B), substituted “an S corporation” for “an electing small business corporation”.

Subsec. (f)(2). Pub. L. 97-354, §5(a)(26)(C), substituted “shareholders of S corporation” for “electing small business corporation” in subsec. heading, substituted “an S corporation” for “an electing small business corporation” and “any shareholder of the S corporation” for “any shareholder of the electing small business corporation”.

Subsec. (f)(4). Pub. L. 97-216 struck out “, etc.” after “section 162(a)(2)” in heading, struck out “(A) In general.—” before “Nothing in this section”, and struck out subpar. (B) which directed the Secretary to prescribe amounts deductible (without substantiation) pursuant to last sentence of section 162(a) and that no other provisions of this title could permit such a deduction for any taxable year of amounts in excess of the amounts determined to be appropriate under the circumstances.

1981—Subsec. (c)(1)(A). Pub. L. 97-119, §113(c), substituted “the principal place of business for any trade or business of the taxpayer” for “as the taxpayer’s principal place of business”.

Subsec. (d)(2). Pub. L. 97-119, §113(d), inserted in provision following subpar. (C) “, except that if the taxpayer is engaged in repair and maintenance on a substantially full time basis for any day, such authority shall not allow the Secretary to treat a dwelling unit as being used for personal use by the taxpayer on such day merely because other individuals who are on the premises on such day are not so engaged”.

Subsec. (d)(3), (4). Pub. L. 97-119, §113(a), added par. (3), redesignated former par. (3) as (4) and struck out “to a person other than a member of the family (as defined in section 267(c)(4) of the taxpayer) after “such unit is rented” in subpar. (B).

Subsec. (f)(4). Pub. L. 97-119, §113(b)(1), added par. (4).

1978—Subsec. (d)(3). Pub. L. 95-600 added par. (3).

1977—Subsec. (c)(4), (5). Pub. L. 95-30 added par. (4), redesignated former par. (4) as (5) and substituted “paragraph (1), (2), or (4)” for “paragraph (1) or (2)” in introductory provisions.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 312(d)(1) of Pub. L. 105-34 applicable to sales and exchanges after May 6, 1997, with certain exceptions, see section 312(d) of Pub. L. 105-34, set out as a note under section 121 of this title.

Pub. L. 105-34, title IX, §932(b), Aug. 5, 1997, 111 Stat. 881, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1998.”

#### EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-188, title I, §1113(b), Aug. 20, 1996, 110 Stat. 1759, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1995.”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 151(a) of Pub. L. 99-514, set out as a note under section 1 of this title.

#### EFFECTIVE DATES OF 1982 AMENDMENT

Amendment by Pub. L. 97-354 applicable to taxable years beginning after Dec. 31, 1982, see section 6(a) of Pub. L. 97-354, set out as an Effective Date note under section 1361 of this title.

Amendment by Pub. L. 97-216 applicable to taxable years beginning after Dec. 31, 1981, see section 215(d) of Pub. L. 97-216, set out as a note under section 162 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-119, title I, §113(e), Dec. 29, 1981, 95 Stat. 1642, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1975, except that in the case of taxable years beginning after December 31, 1975, and before January 1, 1980, the amendment made by this section shall apply only to taxable years for which, on the date of the enactment of this Act [Dec. 29, 1981], the making of a refund, or the assessment of a deficiency, was not barred by law or any rule of law.”

#### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-600, title VII, §701(h)(2), Nov. 6, 1978, 92 Stat. 2904, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: “The amendment made by paragraph (1) [amending this section] shall take effect as if included in section 280A of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], as such provision was added to such Code by section 601(a) of the Tax Reform Act of 1976 [Pub. L. 94-455, title VI, §601(a), Oct. 4, 1976, 90 Stat. 1569].”

#### EFFECTIVE DATE OF 1977 AMENDMENT

Pub. L. 95-30, title III, §306(c), May 23, 1977, 91 Stat. 153, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1975.”

#### EFFECTIVE DATE

Pub. L. 94-455, title VI, §601(c), Oct. 4, 1976, 90 Stat. 1572, provided that: “The amendments made by this section [enacting this section and amending the analysis of sections preceding section 261 of this title] shall apply to taxable years beginning after December 31, 1975.”

### § 280B. Demolition of structures

In the case of the demolition of any structure—

(1) no deduction otherwise allowable under this chapter shall be allowed to the owner or lessee of such structure for—

(A) any amount expended for such demolition, or

(B) any loss sustained on account of such demolition; and

(2) amounts described in paragraph (1) shall be treated as properly chargeable to capital account with respect to the land on which the demolished structure was located.

(Added Pub. L. 94-455, title XXI, §2124(b)(1), Oct. 4, 1976, 90 Stat. 1918; amended Pub. L. 95-600, title VII, §701(f)(5), Nov. 6, 1978, 92 Stat. 2902; Pub. L. 96-541, §2(b), Dec. 17, 1980, 94 Stat. 3204; Pub. L. 97-34, title II, §212(d)(2)(C), Aug. 13, 1981, 95 Stat. 239; Pub. L. 98-369, div. A, title X, §1063(a), (b)(1), July 18, 1984, 98 Stat. 1047.)

#### AMENDMENTS

1984—Pub. L. 98-369 struck out “certain historic” before “structures” in section catchline, struck out heading “(a) General rule”, substituted “In the case of the demolition of any structure” for “In the case of the demolition of a certified historic structure (as defined in 48(g)(3)(A))” in text, and struck out subsecs. (b) and (c) which contained provisions relating to a special rule for registered historic districts and to the application of this section, respectively.

1981—Subsec. (a). Pub. L. 97-34, §212(d)(2)(C)(i), substituted “48(g)(3)(A)” for “section 191(d)(1)” in provisions preceding par. (1).

Subsec. (b). Pub. L. 97-34, §212(d)(2)(C)(ii), substituted “section 48(g)(3)(B)” for “section 191(d)(2)”.

1980—Subsec. (c). Pub. L. 96-541 added subsec. (c).

1978—Subsec. (b). Pub. L. 95-600 substituted “registered historic district (as defined in section 191(d)(2))” for “Registered Historic District” and “Secretary of the Interior has certified that such structure is not a certified historic structure, and that such structure is not of historic significance to the district, and if such certification occurs after the beginning of the demolition of such structure, the taxpayer has certified to the Secretary that, at the time of such demolition, he in good faith was not aware of the certification requirement by the Secretary of the Interior” for “Secretary of the Interior has certified, prior to the demolition of such structure, that such structure is not of historic significance to the district”.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98-369, div. A, title X, §1063(c), July 18, 1984, 98 Stat. 1047, as amended by Pub. L. 99-514, title XVIII, §1878(h), Oct. 22, 1986, 100 Stat. 2904, provided that:

“(1) The amendments made by this section [amending this section] shall apply to taxable years ending after December 31, 1983, but shall not apply to any demolition (other than of a certified historic structure) commencing before July 19, 1984.

“(2) For purposes of paragraph (1), if a demolition is delayed until the completion of the replacement structure on the same site, the demolition shall be treated as commencing when construction of the replacement structure commences.

“(3) The amendments made by this section [amending this section] shall not apply to any demolition commencing before September 1, 1984, pursuant to a bank headquarters building project if—

“(A) on April 1, 1984, a corporation was retained to advise the bank on the final completion of the project, and

“(B) on June 12, 1984, the Comptroller of the Currency approved the project.

“(4) The amendments made by this section shall not apply to the remaining adjusted basis at the time of demolition of any structure if—

“(A) such structure was used in the manufacture, storage, or distribution of lead alkyl antiknock products and intermediate and related products at facilities located in or near Baton Rouge, Louisiana, and Houston, Texas, owned by the same corporation, and

“(B) demolition of at least one such structure at the Baton Rouge facility commenced before January 1, 1984.”

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable to expenditures incurred after Dec. 31, 1981, in taxable years ending after such date, see section 212(e) of Pub. L. 97-34, set out as a note under section 46 of this title.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 effective as if included within the enactment of this section by section 2124 of Pub. L. 94-455, see section 701(f)(8) of Pub. L. 95-600, set out as an Effective and Termination Dates of 1978 Amendments note under section 167 of this title.

#### EFFECTIVE DATE

Pub. L. 94-455, title XXI, §2124(b)(3), Oct. 4, 1976, 90 Stat. 1918, which had provided that enactment of this section by subsec. (b) shall apply with respect to demolitions commencing after June 30, 1976, and before Jan. 1, 1981, was repealed by Pub. L. 96-541, §2(e)(2), Dec. 17, 1980, 94 Stat. 3205. See subsec. (c) of this section.

### § 280C. Certain expenses for which credits are allowable

#### (a) Rule for employment credits

No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the sum of the credits determined for the taxable year under sections 45A(a), 45P(a), 45S(a), 51(a), and 1396(a). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.

#### (b) Credit for qualified clinical testing expenses for certain drugs

##### (1) In general

No deduction shall be allowed for that portion of the qualified clinical testing expenses (as defined in section 45C(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 45C (determined without regard to section 38(c)).

##### (2) Similar rule where taxpayer capitalizes rather than deducts expenses

If—

(A) the amount of the credit allowable for the taxable year under section 45C (determined without regard to section 38(c)), exceeds

(B) the amount allowable as a deduction for the taxable year for qualified clinical testing expenses (determined without regard to paragraph (1)),

the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

##### (3) Election of reduced credit

###### (A) In general

In the case of any taxable year for which an election is made under this paragraph—

(i) paragraphs (1) and (2) shall not apply, and