

**§ 25. Interest on certain home mortgages****(a) Allowance of credit****(1) In general**

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the product of—

(A) the certificate credit rate, and

(B) the interest paid or accrued by the taxpayer during the taxable year on the remaining principal of the certified indebtedness amount.

**(2) Limitation where credit rate exceeds 20 percent****(A) In general**

If the certificate credit rate exceeds 20 percent, the amount of the credit allowed to the taxpayer under paragraph (1) for any taxable year shall not exceed \$2,000.

**(B) Special rule where 2 or more persons hold interests in residence**

If 2 or more persons hold interests in any residence, the limitation of subparagraph (A) shall be allocated among such persons in proportion to their respective interests in the residence.

**(b) Certificate credit rate; certified indebtedness amount**

For purposes of this section—

**(1) Certificate credit rate**

The term “certificate credit rate” means the rate of the credit allowable by this section which is specified in the mortgage credit certificate.

**(2) Certified indebtedness amount**

The term “certified indebtedness amount” means the amount of indebtedness which is—

(A) incurred by the taxpayer—

(i) to acquire the principal residence of the taxpayer,

(ii) as a qualified home improvement loan (as defined in section 143(k)(4)) with respect to such residence, or

(iii) as a qualified rehabilitation loan (as defined in section 143(k)(5)) with respect to such residence, and

(B) specified in the mortgage credit certificate.

**(c) Mortgage credit certificate; qualified mortgage credit certificate program**

For purposes of this section—

**(1) Mortgage credit certificate**

The term “mortgage credit certificate” means any certificate which—

(A) is issued under a qualified mortgage credit certificate program by the State or political subdivision having the authority to issue a qualified mortgage bond to provide financing on the principal residence of the taxpayer,

(B) is issued to the taxpayer in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence,

(C) specifies—

(i) the certificate credit rate, and

(ii) the certified indebtedness amount, and

(D) is in such form as the Secretary may prescribe.

**(2) Qualified mortgage credit certificate program****(A) In general**

The term “qualified mortgage credit certificate program” means any program—

(i) which is established by a State or political subdivision thereof for any calendar year for which it is authorized to issue qualified mortgage bonds,

(ii) under which the issuing authority elects (in such manner and form as the Secretary may prescribe) not to issue an amount of private activity bonds which it may otherwise issue during such calendar year under section 146,

(iii) under which the indebtedness certified by mortgage credit certificates meets the requirements of the following subsections of section 143 (as modified by subparagraph (B) of this paragraph):

(I) subsection (c) (relating to residence requirements),

(II) subsection (d) (relating to 3-year requirement),

(III) subsection (e) (relating to purchase price requirement),

(IV) subsection (f) (relating to income requirements),

(V) subsection (h) (relating to portion of loans required to be placed in targeted areas), and

(VI) paragraph (1) of subsection (i) (relating to other requirements),

(iv) under which no mortgage credit certificate may be issued with respect to any residence any of the financing of which is provided from the proceeds of a qualified mortgage bond or a qualified veterans' mortgage bond,

(v) except to the extent provided in regulations, which is not limited to indebtedness incurred from particular lenders,

(vi) except to the extent provided in regulations, which provides that a mortgage credit certificate is not transferrable, and

(vii) if the issuing authority allocates a block of mortgage credit certificates for use in connection with a particular development, which requires the developer to furnish to the issuing authority and the homebuyer a certificate that the price for the residence is no higher than it would be without the use of a mortgage credit certificate.

Under regulations, rules similar to the rules of subparagraphs (B) and (C) of section 143(a)(2) shall apply to the requirements of this subparagraph.

**(B) Modifications of section 143**

Under regulations prescribed by the Secretary, in applying section 143 for purposes of subclauses (II), (IV), and (V) of subparagraph (A)(iii)—

(i) each qualified mortgage certificate credit program shall be treated as a separate issue,

(ii) the product determined by multiplying—

(I) the certified indebtedness amount of each mortgage credit certificate issued under such program, by

(II) the certificate credit rate specified in such certificate,

shall be treated as proceeds of such issue and the sum of such products shall be treated as the total proceeds of such issue, and

(iii) paragraph (1) of section 143(d) shall be applied by substituting “100 percent” for “95 percent or more”.

Clause (iii) shall not apply if the issuing authority submits a plan to the Secretary for administering the 95-percent requirement of section 143(d)(1) and the Secretary is satisfied that such requirement will be met under such plan.

**(d) Determination of certificate credit rate**

For purposes of this section—

**(1) In general**

The certificate credit rate specified in any mortgage credit certificate shall not be less than 10 percent or more than 50 percent.

**(2) Aggregate limit on certificate credit rates**

**(A) In general**

In the case of each qualified mortgage credit certificate program, the sum of the products determined by multiplying—

(i) the certified indebtedness amount of each mortgage credit certificate issued under such program, by

(ii) the certificate credit rate with respect to such certificate,

shall not exceed 25 percent of the nonissued bond amount.

**(B) Nonissued bond amount**

For purposes of subparagraph (A), the term “nonissued bond amount” means, with respect to any qualified mortgage credit certificate program, the amount of qualified mortgage bonds which the issuing authority is otherwise authorized to issue and elects not to issue under subsection (c)(2)(A)(ii).

**(e) Special rules and definitions**

For purposes of this section—

**(1) Carryforward of unused credit**

**(A) In general**

If the credit allowable under subsection (a) for any taxable year exceeds the applicable tax limit for such taxable year, such excess shall be a carryover to each of the 3 succeeding taxable years and, subject to the limitations of subparagraph (B), shall be added to the credit allowable by subsection (a) for such succeeding taxable year.

**(B) Limitation**

The amount of the unused credit which may be taken into account under subpara-

graph (A) for any taxable year shall not exceed the amount (if any) by which the applicable tax limit for such taxable year exceeds the sum of—

(i) the credit allowable under subsection (a) for such taxable year determined without regard to this paragraph, and

(ii) the amounts which, by reason of this paragraph, are carried to such taxable year and are attributable to taxable years before the unused credit year.

**(C) Applicable tax limit**

For purposes of this paragraph, the term “applicable tax limit” means the limitation imposed by section 26(a) for the taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 23 and 25D).

**(2) Indebtedness not treated as certified where certain requirements not in fact met**

Subsection (a) shall not apply to any indebtedness if all the requirements of subsection (c)(1), (d), (e), (f), and (i) of section 143 and clauses (iv), (v), and (vii) of subsection (c)(2)(A), were not in fact met with respect to such indebtedness. Except to the extent provided in regulations, the requirements described in the preceding sentence shall be treated as met if there is a certification, under penalty of perjury, that such requirements are met.

**(3) Period for which certificate in effect**

**(A) In general**

Except as provided in subparagraph (B), a mortgage credit certificate shall be treated as in effect with respect to interest attributable to the period—

(i) beginning on the date such certificate is issued, and

(ii) ending on the earlier of the date on which—

(I) the certificate is revoked by the issuing authority, or

(II) the residence to which such certificate relates ceases to be the principal residence of the individual to whom the certificate relates.

**(B) Certificate invalid unless indebtedness incurred within certain period**

A certificate shall not apply to any indebtedness which is incurred after the close of the second calendar year following the calendar year for which the issuing authority made the applicable election under subsection (c)(2)(A)(ii).

**(C) Notice to Secretary when certificate revoked**

Any issuing authority which revokes any mortgage credit certificate shall notify the Secretary of such revocation at such time and in such manner as the Secretary shall prescribe by regulations.

**(4) Reissuance of mortgage credit certificates**

The Secretary may prescribe regulations which allow the administrator of a mortgage credit certificate program to reissue a mortgage credit certificate specifying a certified

mortgage indebtedness that replaces the outstanding balance of the certified mortgage indebtedness specified on the original certificate to any taxpayer to whom the original certificate was issued, under such terms and conditions as the Secretary determines are necessary to ensure that the amount of the credit allowable under subsection (a) with respect to such reissued certificate is equal to or less than the amount of credit which would be allowable under subsection (a) with respect to the original certificate for any taxable year ending after such reissuance.

**(5) Public notice that certificates will be issued**

At least 90 days before any mortgage credit certificate is to be issued after a qualified mortgage credit certificate program, the issuing authority shall provide reasonable public notice of—

(A) the eligibility requirements for such certificate,

(B) the methods by which such certificates are to be issued, and

(C) such other information as the Secretary may require.

**(6) Interest paid or accrued to related persons**

No credit shall be allowed under subsection (a) for any interest paid or accrued to a person who is a related person to the taxpayer (within the meaning of section 144(a)(3)(A)).

**(7) Principal residence**

The term “principal residence” has the same meaning as when used in section 121.

**(8) Qualified rehabilitation and home improvement**

**(A) Qualified rehabilitation**

The term “qualified rehabilitation” has the meaning given such term by section 143(k)(5)(B).

**(B) Qualified home improvement**

The term “qualified home improvement” means an alteration, repair, or improvement described in section 143(k)(4).

**(9) Qualified mortgage bond**

The term “qualified mortgage bond” has the meaning given such term by section 143(a)(1).

**(10) Manufactured housing**

For purposes of this section, the term “single family residence” includes any manufactured home which has a minimum of 400 square feet of living space and a minimum width in excess of 102 inches and which is of a kind customarily used at a fixed location. Nothing in the preceding sentence shall be construed as providing that such a home will be taken into account in making determinations under section 143.

**(f) Reduction in aggregate amount of qualified mortgage bonds which may be issued where certain requirements not met**

**(1) In general**

If for any calendar year any mortgage credit certificate program which satisfies procedural requirements with respect to volume limitations prescribed by the Secretary fails to meet

the requirements of paragraph (2) of subsection (d), such requirements shall be treated as satisfied with respect to any certified indebtedness of such program, but the applicable State ceiling under subsection (d) of section 146 for the State in which such program operates shall be reduced by 1.25 times the correction amount with respect to such failure. Such reduction shall be applied to such State ceiling for the calendar year following the calendar year in which the Secretary determines the correction amount with respect to such failure.

**(2) Correction amount**

**(A) In general**

For purposes of paragraph (1), the term “correction amount” means an amount equal to the excess credit amount divided by 0.25.

**(B) Excess credit amount**

**(i) In general**

For purposes of subparagraph (A)(ii), the term “excess credit amount” means the excess of—

(I) the credit amount for any mortgage credit certificate program, over

(II) the amount which would have been the credit amount for such program had such program met the requirements of paragraph (2) of subsection (d).

**(ii) Credit amount**

For purposes of clause (i), the term “credit amount” means the sum of the products determined under clauses (i) and (ii) of subsection (d)(2)(A).

**(3) Special rule for States having constitutional home rule cities**

In the case of a State having one or more constitutional home rule cities (within the meaning of section 146(d)(3)(C)), the reduction in the State ceiling by reason of paragraph (1) shall be allocated to the constitutional home rule city, or to the portion of the State not within such city, whichever caused the reduction.

**(4) Exception where certification program**

The provisions of this subsection shall not apply in any case in which there is a certification program which is designed to ensure that the requirements of this section are met and which meets such requirements as the Secretary may by regulations prescribe.

**(5) Waiver**

The Secretary may waive the application of paragraph (1) in any case in which he determines that the failure is due to reasonable cause.

**(g) Reporting requirements**

Each person who makes a loan which is a certified indebtedness amount under any mortgage credit certificate shall file a report with the Secretary containing—

(1) the name, address, and social security account number of the individual to which the certificate was issued,

(2) the certificate's issuer, date of issue, certified indebtedness amount, and certificate credit rate, and

(3) such other information as the Secretary may require by regulations.

Each person who issues a mortgage credit certificate shall file a report showing such information as the Secretary shall by regulations prescribe. Any such report shall be filed at such time and in such manner as the Secretary may require by regulations.

#### (h) Regulations; contracts

##### (1) Regulations

The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations which may require recipients of mortgage credit certificates to pay a reasonable processing fee to defray the expenses incurred in administering the program.

##### (2) Contracts

The Secretary is authorized to enter into contracts with any person to provide services in connection with the administration of this section.

#### (i) Recapture of portion of Federal subsidy from use of mortgage credit certificates

**For provisions increasing the tax imposed by this chapter to recapture a portion of the Federal subsidy from the use of mortgage credit certificates, see section 143(m).**

(Added Pub. L. 98-369, div. A, title VI, §612(a), July 18, 1984, 98 Stat. 905; amended Pub. L. 99-514, title XIII, §1301(f), title XVIII, §§1862(a)–(d)(1), 1899A(1), Oct. 22, 1986, 100 Stat. 2655, 2883, 2884, 2958; Pub. L. 100-647, title I, §1013(a)(25), (26), title IV, §4005(a)(2), (g)(7), Nov. 10, 1988, 102 Stat. 3543, 3645, 3651; Pub. L. 101-239, title VII, §7104(b), Dec. 19, 1989, 103 Stat. 2305; Pub. L. 101-508, title XI, §11408(b), Nov. 5, 1990, 104 Stat. 1388-477; Pub. L. 102-227, title I, §108(b), Dec. 11, 1991, 105 Stat. 1688; Pub. L. 103-66, title XIII, §13141(b), Aug. 10, 1993, 107 Stat. 436; Pub. L. 104-188, title I, §1807(c)(1), Aug. 20, 1996, 110 Stat. 1902; Pub. L. 105-34, title III, §312(d)(1), Aug. 5, 1997, 111 Stat. 839; Pub. L. 105-206, title VI, §6008(d)(7), July 22, 1998, 112 Stat. 812; Pub. L. 107-16, title II, §201(b)(2)(F), title VI, §618(b)(2)(B), June 7, 2001, 115 Stat. 46, 108; Pub. L. 109-58, title XIII, §1335(b)(2), Aug. 8, 2005, 119 Stat. 1036; Pub. L. 109-135, title IV, §402(i)(3)(C), (4), Dec. 21, 2005, 119 Stat. 2613, 2615; Pub. L. 110-343, div. B, title II, §205(d)(1)(B), Oct. 3, 2008, 122 Stat. 3838; Pub. L. 111-5, div. B, title I, §§1004(b)(2), 1142(b)(1)(B), 1144(b)(1)(B), Feb. 17, 2009, 123 Stat. 314, 330, 332; Pub. L. 111-148, title X, §10909(b)(2)(B), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, §101(b)(1), Dec. 17, 2010, 124 Stat. 3298; Pub. L. 112-240, title I, §104(c)(2)(C), Jan. 2, 2013, 126 Stat. 2322; Pub. L. 115-141, div. U, title IV, §401(d)(4)(B)(ii), Mar. 23, 2018, 132 Stat. 1209.)

#### PRIOR PROVISIONS

A prior section 25 was renumbered section 26 of this title.

#### AMENDMENTS

2018—Subsec. (e)(1)(C). Pub. L. 115-141 substituted “sections 23 and 25D” for “sections 23, 25D, and 1400C”.

2013—Subsec. (e)(1)(C). Pub. L. 112-240 amended subpar. (C) generally. Prior to amendment, text read as

follows: “For purposes of this paragraph, the term ‘applicable tax limit’ means—

“(i) in the case of a taxable year to which section 26(a)(2) applies, the limitation imposed by section 26(a)(2) for the taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 23, 25D, and 1400C), and

“(ii) in the case of a taxable year to which section 26(a)(2) does not apply, the limitation imposed by section 26(a)(1) for the taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 23, 24, 25A(i), 25B, 25D, 30, 30B, 30D, and 1400C).”

2010—Subsec. (e)(1)(C). Pub. L. 111-148, §10909(b)(2)(B), (c), as amended by Pub. L. 111-312, temporarily struck out “23,” after “and sections” in cls. (i) and (ii). See Effective and Termination Dates of 2010 Amendment note below.

2009—Subsec. (e)(1)(C)(ii). Pub. L. 111-5, §1144(b)(1)(B), inserted “30B,” after “30.”

Pub. L. 111-5, §1142(b)(1)(B), inserted “30,” after “25D.”

Pub. L. 111-5, §1004(b)(2), inserted “25A(i),” after “24.”

2008—Subsec. (e)(1)(C)(ii). Pub. L. 110-343 inserted “30D,” after “25D.”

2005—Subsec. (e)(1)(C). Pub. L. 109-135, §402(i)(3)(C), reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “For purposes of this paragraph, the term ‘applicable tax limit’ means the limitation imposed by section 26(a) for the taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 23, 24, 25B, and 1400C).”

Pub. L. 109-58, §1335(b)(2), which directed amendment of subpar. (C) by substituting “other than this section, section 23, section 25D, and section 1400C” for “this section and sections 23 and 1400C”, was repealed by Pub. L. 109-135, §402(i)(4). See Effective and Termination Dates of 2005 Amendments notes below.

2001—Subsec. (e)(1)(C). Pub. L. 107-16, §618(b)(2)(B), inserted “25B,” after “24.”

Pub. L. 107-16, §201(b)(2)(F), inserted “, 24,” after “sections 23”.

1998—Subsec. (e)(1)(C). Pub. L. 105-206 substituted “sections 23 and 1400C” for “section 23”.

1997—Subsec. (e)(7). Pub. L. 105-34 substituted “section 121” for “section 1034”.

1996—Subsec. (e)(1)(C). Pub. L. 104-188 inserted “and section 23” after “other than this section”.

1993—Subsecs. (h) to (j). Pub. L. 103-66 redesignated subsecs. (i) and (j) as (h) and (i), respectively, and struck out heading and text of former subsec. (h). Text read as follows: “No election may be made under subsection (c)(2)(A)(ii) for any period after June 30, 1992.”

1991—Subsec. (h). Pub. L. 102-227 substituted “June 30, 1992” for “December 31, 1991”.

1990—Subsec. (h). Pub. L. 101-508 substituted “December 31, 1991” for “September 30, 1990”.

1989—Subsec. (h). Pub. L. 101-239 substituted “for any period after September 30, 1990” for “for any calendar year after 1989”.

1988—Subsec. (c)(2)(A)(ii). Pub. L. 100-647, §1013(a)(25), amended Pub. L. 99-514, §1301(f)(2)(C)(ii), see 1986 Amendment note below.

Subsec. (h). Pub. L. 100-647, §4005(a)(2), substituted “1989” for “1988”.

Pub. L. 100-647, §1013(a)(26), substituted “1988” for “1987”.

Subsec. (j). Pub. L. 100-647, §4005(g)(7), added subsec. (j).

1986—Subsec. (a)(1)(B). Pub. L. 99-514, §1862(d)(1), substituted “paid or accrued” for “paid or incurred”.

Subsec. (b)(2)(A)(ii). Pub. L. 99-514, §1301(f)(2)(A), substituted “section 143(k)(4)” for “section 103A(l)(6)”.

Subsec. (b)(2)(A)(iii). Pub. L. 99-514, §1301(f)(2)(B), substituted “section 143(k)(5)” for “section 103A(l)(7)”.

Subsec. (c)(2)(A). Pub. L. 99-514, §1301(f)(2)(E), substituted “section 143(a)(2)” for “section 103A(c)(2)” in provision following cl. (vii).

Pub. L. 99-514, §1862(b), inserted “Under regulations, rules similar to the rules of subparagraphs (B) and (C) of section 103A(c)(2) shall apply to the requirements of this subparagraph.”

Subsec. (c)(2)(A)(ii). Pub. L. 99-514, §1301(f)(2)(C)(ii), as amended by Pub. L. 100-647, §1013(a)(25), substituted “private activity bonds which it may otherwise issue during such calendar year under section 146” for “qualified mortgage bonds which it may otherwise issue during such calendar year under section 103A”.

Subsec. (c)(2)(A)(iii). Pub. L. 99-514, §1301(f)(2)(C)(i), substituted “section 143” for “section 103A” in introductory provisions, added subcls. (I) to (VI), and struck out former subcls. (I) to (V) which read as follows:

“(I) subsection (d) (relating to residence requirements),

“(II) subsection (e) (relating to 3-year requirement),

“(III) subsection (f) (relating to purchase price requirement),

“(IV) subsection (h) (relating to portion of loans required to be placed in targeted areas), and

“(V) subsection (j), other than paragraph (2) thereof (relating to other requirements).”

Subsec. (c)(2)(A)(iii)(V). Pub. L. 99-514, §1862(a), substituted “subsection (j), other than paragraph (2) thereof” for “paragraph (1) of subsection (j)”.

Subsec. (c)(2)(B). Pub. L. 99-514, §1301(f)(2)(C)(i), substituted in heading and introductory provisions “section 143” for “section 103A”.

Pub. L. 99-514, §1301(f)(2)(F), inserted in introductory provisions reference to subcl. (V), added cl. (iii) and closing provisions, and struck out former cl. (iii) and closing provisions which read as follows:

“(iii) paragraph (1) of section 103A(e) shall be applied by substituting ‘100 percent’ for ‘90 percent or more’.

Clause (iii) shall not apply if the issuing authority submits a plan to the Secretary for administering the 90-percent requirement of section 103A(e)(1) and the Secretary is satisfied that such requirement will be met under such plan.”

Subsec. (d)(2)(A). Pub. L. 99-514, §1301(f)(1)(A), substituted “25 percent” for “20 percent” in concluding provisions.

Subsec. (d)(3). Pub. L. 99-514, §1301(f)(2)(G), struck out par. (3) “Additional limit in certain cases” which read as follows: “In the case of a qualified mortgage credit certificate program in a State which—

“(A) has a State ceiling (as defined in section 103A(g)(4)) for the year an election is made that exceeds 20 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single family owner-occupied residences located within the jurisdiction of such State, or

“(B) issued qualified mortgage bonds in an aggregate amount less than \$150,000,000 for calendar year 1983,

the certificate credit rate for any mortgage credit certificate shall not exceed 20 percent unless the issuing authority submits a plan to the Secretary to ensure that the weighted average of the certificate credit rates in such mortgage credit certificate program does not exceed 20 percent and the Secretary approves such plan.”

Subsec. (e)(1)(B). Pub. L. 99-514, §1862(c), amended subpar. (B) generally. Prior to amendment, subpar. (B) “Limitations” read as follows: “The amount of the unused credit which may be taken into account under subparagraph (A) for any taxable year shall not exceed the amount by which the applicable tax limit for such taxable year exceeds the sum of the amounts which, by reason of this paragraph, are carried to such taxable year and are attributable to taxable years before the unused credit year.”

Subsec. (e)(2). Pub. L. 99-514, §1301(f)(2)(H), substituted “subsections (c)(1), (d), (e), (f), and (i) of section 143” for “subsection (d)(1), (e), (f), and (j) of section 103A”.

Subsec. (e)(6). Pub. L. 99-514, §1301(f)(2)(I), substituted “section 144(a)(3)(A)” for “section 103(b)(6)(C)(i)”.

Subsec. (e)(8)(A). Pub. L. 99-514, §1301(f)(2)(J), substituted “section 143(k)(5)(B)” for “section 103A(l)(7)(B)”.

Subsec. (e)(8)(B). Pub. L. 99-514, §1301(f)(2)(K), substituted “section 143(k)(4)” for “section 103A(l)(6)”.

Subsec. (e)(9). Pub. L. 99-514, §1301(f)(2)(L), substituted “section 143(a)(1)” for “section 103A(c)(1)”.

Subsec. (e)(10). Pub. L. 99-514, §1301(f)(2)(M), substituted “section 143” for “section 103A”.

Subsec. (f)(1). Pub. L. 99-514, §1301(f)(2)(N), substituted “subsection (d) of section 146” for “paragraph (4) of section 103A(g)”.

Subsec. (f)(2)(A). Pub. L. 99-514, §1301(f)(1)(B), substituted “0.25” for “0.20”.

Subsec. (f)(3). Pub. L. 99-514, §1301(f)(2)(O), substituted “section 146(d)(3)(C)” for “section 103A(g)(5)(C)”.

Subsec. (f)(4). Pub. L. 99-514, §1899A(1), substituted “ensure” for “insure”.

#### EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of Pub. L. 112-240, set out as a note under section 23 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111-148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111-148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111-148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111-148, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by section 1004(b)(2) of Pub. L. 111-5 applicable to taxable years beginning after Dec. 31, 2008, see section 1004(d) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

Amendment by section 1142(b)(1)(B) of Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

Amendment by section 1144(b)(1)(B) of Pub. L. 111-5 applicable to taxable years beginning after Dec. 31, 2008, see section 1144(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-343 applicable to taxable years beginning after Dec. 31, 2008, see section 205(e) of Pub. L. 110-343, set out as an Effective and Termination Dates of 2008 Amendment note under section 24 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENT

Amendment by section 402(i)(3)(C) of Pub. L. 109-135 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, in the same manner as the provisions of such Act to which such amendment relates, see section 402(i)(3)(H) of Pub. L. 109-135, set out as a note under section 23 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

The Internal Revenue Code of 1986 to be applied and administered as if the amendments made by section 1335(b)(1)–(3) of Pub. L. 109-58 had never been enacted, see section 402(i)(4) of Pub. L. 109-135, set out as a note under section 23 of this title.

Amendments by Pub. L. 109-135 effective as if included in the provisions of the Energy Policy Act of

2005, Pub. L. 109-58, to which they relate, except that amendment by section 402(i)(3)(C) of Pub. L. 109-135 is applicable to taxable years beginning after Dec. 31, 2005, see section 402(m) of Pub. L. 109-135, set out as a note under section 23 of this title.

Amendment by Pub. L. 109-58 applicable to property placed in service after Dec. 31, 2005, in taxable years ending after such date, see section 1335(c) of Pub. L. 109-58, set out as a note under section 23 of this title.

#### EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 inapplicable to taxable years beginning during 2004 or 2005, see section 312(b)(2) of Pub. L. 108-311, set out as a note under section 23 of this title.

Amendment by Pub. L. 107-16 inapplicable to taxable years beginning during 2002 and 2003, see section 601(b)(2) of Pub. L. 107-147, set out as a note under section 23 of this title.

Amendment by section 201(b)(2)(F) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2001, see section 201(e)(2) of Pub. L. 107-16, set out as a note under section 24 of this title.

Amendment by section 618(b)(2)(B) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2001, see section 618(d) of Pub. L. 107-16, set out as a note under section 24 of this title.

#### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by 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.

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 applicable to taxable years beginning after Dec. 31, 1996, see section 1807(e) of Pub. L. 104-188, set out as an Effective Date note under section 23 of this title.

#### EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-66, title XIII, § 13141(f)(2), Aug. 10, 1993, 107 Stat. 437, provided that: “The amendment made by subsection (b) [amending this section] shall apply to elections for periods after June 30, 1992.”

#### EFFECTIVE DATE OF 1991 AMENDMENT

Pub. L. 102-227, title I, § 108(c)(2), Dec. 11, 1991, 105 Stat. 1688, provided that: “The amendment made by subsection (b) [amending this section] shall apply to elections for periods after December 31, 1991.”

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-508 applicable to elections for periods after Sept. 30, 1990, see section 11408(d)(2) of Pub. L. 101-508, set out as a note under section 143 of this title.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by section 1013(a)(25), (26) of 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.

Amendment by section 4005(a)(2) of Pub. L. 100-647 applicable to bonds issued, and nonissued bond amounts elected, after Dec. 31, 1988, see section 4005(h)(1) of Pub. L. 100-647, set out as a note under section 143 of this title.

Amendment by section 4005(g)(7) of Pub. L. 100-647 applicable to financing provided, and mortgage credit cer-

tificates issued, after Dec. 31, 1990, with certain exceptions, see section 4005(h)(3) of Pub. L. 100-647, set out as a note under section 143 of this title.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 1301(f)(1) of Pub. L. 99-514 applicable to nonissued bond amounts elected after Aug. 15, 1986, and amendment by section 1301(f)(2) of Pub. L. 99-514 applicable to certificates issued with respect to nonissued bond amounts elected after Aug. 15, 1986, see section 1311(b) of Pub. L. 99-514, as amended, set out as an Effective Date; Transitional Rules note under section 141 of this title.

Amendment by section 1862(a)-(d)(1) of Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

#### EFFECTIVE DATE

Pub. L. 98-369, div. A, title VI, § 612(g), July 18, 1984, 98 Stat. 913, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [enacting this section and section 6708 of this title, redesignating former section 25 as 26, and amending sections 23, 28 to 30, 38, 55, 103A, 163, 168, and 901 of this title] shall apply to interest paid or accrued after December 31, 1984, on indebtedness incurred after December 31, 1984.

“(2) ELECTIONS.—The amendments made by this section shall apply to elections under section 25(c)(2)(A)(ii) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (as added by this section) for calendar years after 1983.”

#### SAVINGS PROVISION

Amendment by Pub. L. 115-141 not applicable to certain obligations issued, DC Zone assets acquired, or principal residences acquired before Jan. 1, 2012, see section 401(d)(4)(C) of Pub. L. 115-141, set out as a note under former section 1400 of this title.

For provisions that nothing in amendment by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 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.

### § 25A. American Opportunity and Lifetime Learning credits

#### (a) Allowance of credit

In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount equal to the sum of—

- (1) the American Opportunity Tax Credit, plus
- (2) the Lifetime Learning Credit.

#### (b) American Opportunity Tax Credit

##### (1) Per student credit

In the case of any eligible student for whom an election is in effect under this section for