

(Added Pub. L. 91-172, title II, §213(a), Dec. 30, 1969, 83 Stat. 571; amended Pub. L. 92-178, title III, §311(a), Dec. 10, 1971, 85 Stat. 525; Pub. L. 94-455, title II, §214(a), title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1549, 1834; Pub. L. 97-354, §5(a)(23), Oct. 19, 1982, 96 Stat. 1694; Pub. L. 99-514, title I, §143(a), Oct. 22, 1986, 100 Stat. 2120; Pub. L. 100-647, title I, §1001(h)(3), Nov. 10, 1988, 102 Stat. 3352; Pub. L. 113-295, div. A, title II, §221(a)(36), Dec. 19, 2014, 128 Stat. 4042.)

## AMENDMENTS

2014—Subsec. (e)(1). Pub. L. 113-295 struck out “For purposes of the preceding sentence, a taxpayer shall be treated as not having engaged in an activity during any taxable year beginning before January 1, 1970.” at end.

1988—Subsec. (e)(2). Pub. L. 100-647 substituted “activity for 3 (or 2 if applicable)” for “activity for 2”.

1986—Subsec. (d). Pub. L. 99-514 substituted “3” for “2” before “or more” in first sentence and “2” for “3” and “7” for “5” for “the period of 7 consecutive taxable years for the period of 5 consecutive taxable years” in second sentence.

1982—Subsec. (a). Pub. L. 97-354 substituted “an S corporation” for “an electing small business corporation (as defined in section 1371(b))”.

1976—Subsecs. (d), (e)(3). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (e)(4). Pub. L. 94-455, §214(a), added par. (4).

1971—Subsec. (e). Pub. L. 92-178 added subsec. (e).

## EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

## 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 DATE 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.

## EFFECTIVE DATE OF 1976 AMENDMENT

Pub. L. 94-455, title II, §214(c), Oct. 4, 1976, 90 Stat. 1549, provided that: “The amendments made by this section [amending this section and section 6212 of this title] shall apply with respect to taxable years beginning after December 31, 1969; except that such amendments shall not apply to any taxable year ending before the date of the enactment of this Act [Oct. 4, 1976] with respect to which the period for assessing a deficiency has expired before such date of enactment.”

## EFFECTIVE DATE OF 1971 AMENDMENT

Pub. L. 92-178, title III, §311(b), Dec. 10, 1971, 85 Stat. 526, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1969.”

## EFFECTIVE DATE

Pub. L. 91-172, title II, §213(d), Dec. 30, 1969, 83 Stat. 572, provided that: “The amendments made by this section [enacting this section, amending section 6504 of

this title, and repealing section 270 of this title] shall apply to taxable years beginning after December 31, 1969.”

**§184. Repealed. Pub. L. 101-508, title XI, §11801(a)(12), Nov. 5, 1990, 104 Stat. 1388-520]**

Section, added Pub. L. 91-172, title VII, §705(a), Dec. 30, 1969, 83 Stat. 670; amended Pub. L. 93-625, §3(b), Jan. 3, 1975, 88 Stat. 2109; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, related to amortization of certain railroad rolling stock.

## SAVINGS PROVISION

For provisions that nothing in repeal by Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

**§185. Repealed. Pub. L. 99-514, title II, §242(a), Oct. 22, 1986, 100 Stat. 2181]**

Section, added Pub. L. 91-172, title VII, §705(a), Dec. 30, 1969, 83 Stat. 672; amended Pub. L. 94-455, title XVII, §1702, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1760, 1834; Pub. L. 95-473, §2(a)(2)(B), Oct. 17, 1978, 92 Stat. 1464, related to amortization of railroad grading and tunnel bores.

## EFFECTIVE DATE OF REPEAL

Pub. L. 99-514, title II, §242(c), Oct. 22, 1986, 100 Stat. 2181, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending sections 1082 and 1250 of this title and repealing this section] shall apply to that portion of the basis of any property which is attributable to expenditures paid or incurred after December 31, 1986.

“(2) TRANSITIONAL RULE.—The amendments made by this section shall not apply to any expenditure incurred—

“(A) pursuant to a binding contract entered into before March 2, 1986, or

“(B) with respect to any improvement commenced before March 2, 1986, but only if not less than the lesser of \$1,000,000 or 5 percent of the aggregate cost of such improvement has been incurred or committed before such date.

The preceding sentence shall not apply to any expenditure with respect to an improvement placed in service after December 31, 1987.”

**§186. Recoveries of damages for antitrust violations, etc.**

**(a) Allowance of deduction**

If a compensatory amount which is included in gross income is received or accrued during the taxable year for a compensable injury, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

(1) the amount of such compensatory amount, or

(2) the amount of the unrecovered losses sustained as a result of such compensable injury.

**(b) Compensable injury**

For purposes of this section, the term “compensable injury” means—

(1) injuries sustained as a result of an infringement of a patent issued by the United States,

(2) injuries sustained as a result of a breach of contract or a breach of fiduciary duty or relationship, or