

to in subsec. (b)(3)(C)(ii), is classified to section 4702(20) of Title 12, Banks and Banking.

#### PRIOR PROVISIONS

A prior section 1394, added Pub. L. 95-600, title VI, § 601(a), Nov. 6, 1978, 92 Stat. 2895; amended Pub. L. 96-595, § 3(a)(6)–(8), Dec. 24, 1980, 94 Stat. 3465, related to rules applicable to distributions of an electing general stock ownership corporation, prior to repeal by Pub. L. 99-514, title XIII, § 1303(a), Oct. 22, 1986, 100 Stat. 2658.

A prior section 1395, added Pub. L. 95-600, title VI, § 601(a), Nov. 6, 1978, 92 Stat. 2895, related to adjustment to basis of stock of shareholders, prior to repeal by Pub. L. 99-514, title XIII, § 1303(a), Oct. 22, 1986, 100 Stat. 2658.

#### AMENDMENTS

2018—Subsec. (b)(3)(B)(i)(II). Pub. L. 115-141 substituted “subsections” for “subsection”.

2015—Subsec. (b)(3)(B)(i). Pub. L. 114-113, § 171(b), designated existing provisions as subcl. (I), inserted heading, substituted “Except as provided in subclause (II), references” for “References”, and added subcl. (II).

Subsec. (b)(3)(B)(iii). Pub. L. 114-113, § 171(d)(1), substituted “, an enterprise community, or a qualified low-income community within an applicable nominating jurisdiction” for “or an enterprise community”.

Subsec. (b)(3)(C). Pub. L. 114-113, § 171(c)(1), added subpar. (C). Former subpar. (C) redesignated (D).

Subsec. (b)(3)(D). Pub. L. 114-113, § 171(c)(1), (d)(2), redesignated subpar. (C) as (D) and substituted “Other definitions” for “Definitions” in heading. Former subpar. (D) redesignated (E).

Subsec. (b)(3)(D)(iii). Pub. L. 114-113, § 171(c)(2), added cl. (iii).

Subsec. (b)(3)(E). Pub. L. 114-113, § 171(c)(1), redesignated subpar. (D) as (E).

2014—Subsec. (f). Pub. L. 113-295, § 220(o), struck out “designated under section 1391(g)” after “empowerment zones” in heading.

Subsec. (f)(1), (2)(A). Pub. L. 113-295, § 220(p), substituted “an empowerment zone facility bond” for “a new empowerment zone facility bond”.

2002—Subsec. (c)(2). Pub. L. 107-147 substituted “paragraph (1)” for “subparagraph (A)”.

2000—Subsec. (b)(2). Pub. L. 106-554, § 1(a)(7) [title I, § 116(b)(3)(A)], substituted “section 1397D” for “section 1397C” in introductory provisions.

Subsec. (b)(2)(B). Pub. L. 106-554, § 1(a)(7) [title I, § 116(b)(3)(B)], substituted “section 1397D(a)(2)” for “section 1397C(a)(2)”.

Subsec. (b)(3). Pub. L. 106-554, § 1(a)(7) [title I, § 116(b)(4)(A)], substituted “section 1397C” for “section 1397B” wherever appearing.

Subsec. (b)(3)(B)(iii). Pub. L. 106-554, § 1(a)(7) [title I, § 116(b)(4)(B)], substituted “section 1397C(d)” for “section 1397B(d)”.

Subsec. (f)(3). Pub. L. 106-554, § 1(a)(7) [title I, § 115(a)], amended heading and text of par. (3) generally. Prior to amendment, text read as follows: “For purposes of this subsection, the term ‘new empowerment zone facility bond’ means any bond which would be described in subsection (a) if only empowerment zones designated under section 1391(g) were taken into account under sections 1397B and 1397C.”

1997—Subsec. (b)(2). Pub. L. 105-34, § 955(b), amended heading and text of par. (2) generally. Prior to amendment, text read as follows: “The term ‘qualified zone property’ has the meaning given such term by section 1397C; except that the references to empowerment zones shall be treated as including references to enterprise communities.”

Subsec. (b)(3). Pub. L. 105-34, § 955(b), amended heading and text of par. (3) generally. Prior to amendment, text read as follows: “The term ‘enterprise zone business’ has the meaning given to such term by section 1397B, except that—

“(A) references to empowerment zones shall be treated as including references to enterprise communities, and

“(B) such term includes any trades or businesses which would qualify as an enterprise zone business (determined after the modification of subparagraph (A)) if such trades or businesses were separately incorporated.”

Subsec. (f). Pub. L. 105-34, § 953(a), added subsec. (f).

1996—Subsec. (e)(2). Pub. L. 104-188, which directed that par. (2) be amended by striking “(i)” and inserting “(A)” and by striking “(ii)” and inserting “(B)”, could not be executed, because par. (2) contained neither “(i)” nor “(ii)”.

#### EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, § 171(e)(2), Dec. 18, 2015, 129 Stat. 3071, provided that: “The amendments made by subsections (b), (c), and (d) [amending this section] shall apply to bonds issued after December 31, 2015.”

#### EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106-554, § 1(a)(7) [title I, § 115(b)], Dec. 21, 2000, 114 Stat. 2763, 2763A-602, provided that: “The amendments made by this section [amending this section] shall apply to obligations issued after December 31, 2001.”

Amendment by section 1(a)(7) [title I, § 116(b)(3), (4)] of Pub. L. 106-554 applicable to qualified empowerment zone assets acquired after Dec. 21, 2000, see section 1(a)(7) [title I, § 116(c)] of Pub. L. 106-554, set out as a note under section 1016 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-34, title IX, § 953(b), Aug. 5, 1997, 111 Stat. 888, provided that: “The amendment made by this section [amending this section] shall apply to obligations issued after the date of the enactment of this Act [Aug. 5, 1997].”

Pub. L. 105-34, title IX, § 955(c), Aug. 5, 1997, 111 Stat. 890, provided that: “The amendments made by this section [amending this section] shall apply to obligations issued after the date of the enactment of this Act [Aug. 5, 1997].”

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective as if included in the provision of the Revenue Reconciliation Act of 1993, Pub. L. 103-66, §§ 13001-13444, to which such amendment relates, see section 1703(o) of Pub. L. 104-188, set out as a note under section 39 of this title.

### PART III—ADDITIONAL INCENTIVES FOR EMPOWERMENT ZONES

#### Subpart

- A. Empowerment zone employment credit.
- B. Additional expensing.
- C. Nonrecognition of gain on rollover of empowerment zone investments.
- D. General provisions.

#### AMENDMENTS

2000—Pub. L. 106-554, § 1(a)(7) [title I, § 116(b)(6)], Dec. 21, 2000, 114 Stat. 2763, 2763A-604, added items for subparts C and D and struck out former item for subpart C “General provisions”.

#### SUBPART A—EMPOWERMENT ZONE EMPLOYMENT CREDIT

- Sec. 1396. Empowerment zone employment credit.
- 1397. Other definitions and special rules.

### § 1396. Empowerment zone employment credit

#### (a) Amount of credit

For purposes of section 38, the amount of the empowerment zone employment credit determined under this section with respect to any