

tions 1301 to 1307 of this title] shall apply with respect to taxable years beginning after December 31, 1963.

“(2) INCOME FROM AN EMPLOYMENT.—If, in a taxable year beginning after December 31, 1963, an individual or partnership receives or accrues compensation from an employment (as defined by section 1301(b) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] as in effect immediately before the enactment of this Act [Feb. 26, 1964] and the employment began before February 6, 1963, the tax attributable to such compensation may, at the election of the taxpayer, be computed under the provisions of sections 1301 and 1307 of such Code as in effect immediately before the enactment of this Act. If a taxpayer so elects (at such time and in such manner as the Secretary of the Treasury or his delegate by regulations prescribes), he may not choose for such taxable year the benefits provided by part I of subchapter Q of chapter 1 of such Code (relating to income averaging) as amended by this Act and (if he elects to have subsection (e) of such section 1307 apply) section 170(b)(5) of such Code as amended by this Act shall not apply to charitable contributions paid in such taxable year.”

APPLICABILITY OF CERTAIN AMENDMENTS BY PUB. L. 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For applicability of amendment by section 701(e)(4)(A) of Pub. L. 99-514 notwithstanding any treaty obligation of the United States in effect on Oct. 22, 1986, see section 1012(aa)(2) of Pub. L. 100-647, set out as a note under section 861 of this title.

PART II—TAX ON CORPORATIONS

Sec.	
11.	Tax imposed.
12.	Cross references relating to tax on corporations.

§ 11. Tax imposed

(a) Corporations in general

A tax is hereby imposed for each taxable year on the taxable income of every corporation.

(b) Amount of tax

The amount of the tax imposed by subsection (a) shall be 21 percent of taxable income.

(c) Exceptions

Subsection (a) shall not apply to a corporation subject to a tax imposed by—

- (1) section 594 (relating to mutual savings banks conducting life insurance business),
- (2) subchapter L (sec. 801 and following, relating to insurance companies), or
- (3) subchapter M (sec. 851 and following, relating to regulated investment companies and real estate investment trusts).

(d) Foreign corporations

In the case of a foreign corporation, the tax imposed by subsection (a) shall apply only as provided by section 882.

(Aug. 16, 1954, ch. 736, 68A Stat. 11; Mar. 30, 1955, ch. 18, § 2, 69 Stat. 14; Mar. 29, 1956, ch. 115, § 2, 70 Stat. 66; Pub. L. 85-12, § 2, Mar. 29, 1957, 71 Stat. 9; Pub. L. 85-475, § 2, June 30, 1958, 72 Stat. 259; Pub. L. 86-75, § 2, June 30, 1959, 73 Stat. 157; Pub. L. 86-564, title II, § 201, June 30, 1960, 74 Stat. 290; Pub. L. 86-779, § 10(d), Sept. 14, 1960, 74 Stat. 1009; Pub. L. 87-72, § 2, June 30, 1961, 75 Stat. 193; Pub. L. 87-508, § 2, June 28, 1962, 76 Stat. 114; Pub. L. 88-52, § 2, June 29, 1963, 77 Stat. 72; Pub. L. 88-272, title I, § 121, Feb. 26, 1964, 78 Stat. 25; Pub. L.

89-809, title I, § 104(b)(2), Nov. 13, 1966, 80 Stat. 1557; Pub. L. 91-172, title IV, § 401(b)(2)(B), Dec. 30, 1969, 83 Stat. 602; Pub. L. 94-12, title III, § 303(a), (b), Mar. 29, 1975, 89 Stat. 44; Pub. L. 94-164, § 4(a)–(c), Dec. 23, 1975, 89 Stat. 973, 974; Pub. L. 94-455, title IX, § 901(a), Oct. 4, 1976, 90 Stat. 1606; Pub. L. 95-30, title II, § 201(1), (2), May 23, 1977, 91 Stat. 141; Pub. L. 95-600, title III, § 301(a), Nov. 6, 1978, 92 Stat. 2820; Pub. L. 97-34, title II, § 231(a), Aug. 13, 1981, 95 Stat. 249; Pub. L. 98-369, div. A, title I, § 66(a), July 18, 1984, 98 Stat. 585; Pub. L. 99-514, title VI, § 601(a), Oct. 22, 1986, 100 Stat. 2249; Pub. L. 100-203, title X, § 1022(a), Dec. 22, 1987, 101 Stat. 1330-412; Pub. L. 100-647, title I, § 1007(g)(13)(B), Nov. 10, 1988, 102 Stat. 3436; Pub. L. 103-66, title XIII, § 13221(a), (b), Aug. 10, 1993, 107 Stat. 477; Pub. L. 115-97, title I, §§ 12001(b)(11), 13001(a), Dec. 22, 2017, 131 Stat. 2094, 2096.)

Editorial Notes

AMENDMENTS

2017—Subsec. (b). Pub. L. 115-97, § 13001(a), amended subsec. (b) generally. Prior to amendment, text read as follows:

“(1) IN GENERAL.—The amount of the tax imposed by subsection (a) shall be the sum of—

“(A) 15 percent of so much of the taxable income as does not exceed \$50,000,

“(B) 25 percent of so much of the taxable income as exceeds \$50,000 but does not exceed \$75,000,

“(C) 34 percent of so much of the taxable income as exceeds \$75,000 but does not exceed \$10,000,000, and

“(D) 35 percent of so much of the taxable income as exceeds \$10,000,000.

In the case of a corporation which has taxable income in excess of \$100,000 for any taxable year, the amount of tax determined under the preceding sentence for such taxable year shall be increased by the lesser of (i) 5 percent of such excess, or (ii) \$11,750. In the case of a corporation which has taxable income in excess of \$15,000,000, the amount of the tax determined under the foregoing provisions of this paragraph shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) \$100,000.

“(2) CERTAIN PERSONAL SERVICE CORPORATIONS NOT ELIGIBLE FOR GRADUATED RATES.—Notwithstanding paragraph (1), the amount of the tax imposed by subsection (a) on the taxable income of a qualified personal service corporation (as defined in section 448(d)(2)) shall be equal to 35 percent of the taxable income.”

Subsec. (d). Pub. L. 115-97, § 12001(b)(11), substituted “the tax imposed by subsection (a)” for “the taxes imposed by subsection (a) and section 55”.

1993—Subsec. (b)(1). Pub. L. 103-66, § 13221(a)(3), inserted at end of closing provisions “In the case of a corporation which has taxable income in excess of \$15,000,000, the amount of the tax determined under the foregoing provisions of this paragraph shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) \$100,000.”

Subsec. (b)(1)(C), (D). Pub. L. 103-66, § 13221(a)(1), (2), added subpars. (C) and (D) and struck out former subpar. (C) which read as follows: “34 percent of so much of the taxable income as exceeds \$75,000.”

Subsec. (b)(2). Pub. L. 103-66, § 13221(b), substituted “35 percent” for “34 percent”.

1988—Subsec. (d). Pub. L. 100-647 substituted “the taxes imposed by subsection (a) and section 55” for “the tax imposed by subsection (a)”.

1987—Subsec. (b). Pub. L. 100-203 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “The amount of the tax imposed by subsection (a) shall be the sum of—

“(1) 15 percent of so much of the taxable income as does not exceed \$50,000,