

the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(C) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from credit provisions described in such section.”

REFERENCE TO PLAN FOR EMPLOYMENT

Pub. L. 105-277, div. J, title IV, § 4006(c)(1), Oct. 21, 1998, 112 Stat. 2681-912, provided that: “The reference to ‘plan for employment’ in such clause [26 U.S.C. 51(d)(6)(B)(i)] shall be treated as including a reference to the rehabilitation plan referred to in such clause as in effect before the amendment made by the preceding sentence.”

AUTHORIZATION OF APPROPRIATIONS

Pub. L. 97-34, title II, § 261(f)(2), Aug. 13, 1981, 95 Stat. 263, as amended by Pub. L. 97-248, title II, § 233(e), Sept. 3, 1982, 96 Stat. 502; Pub. L. 98-369, div. A, title X, § 1041(b), July 18, 1984, 98 Stat. 1042; Pub. L. 99-514, title XVII, § 1701(d), Oct. 22, 1986, 100 Stat. 2772; Pub. L. 100-647, title IV, § 4010(b), Nov. 10, 1988, 102 Stat. 3655; Pub. L. 101-239, title VII, § 7103(b), Dec. 19, 1989, 103 Stat. 2305; Pub. L. 101-508, title XI, § 11405(b), Nov. 5, 1990, 104 Stat. 1388-473, provided that: “There is authorized to be appropriated for each fiscal year such sums as may be necessary, to carry out the functions described by the amendments made by paragraph (1) [amending this section], except that, of the amounts appropriated pursuant to this paragraph—

“(A) \$5,000,000 shall be used to test whether individuals certified as members of targeted groups under section 51 of such Code are eligible for such certification (including the use of statistical sampling techniques), and

“(B) the remainder shall be distributed under performance standards prescribed by the Secretary of Labor.

The Secretary of Labor shall each calendar year beginning with calendar year 1983 report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate with respect to the results of the testing conducted under subparagraph (A) during the preceding calendar year.”

[For termination, effective May 15, 2000, of reporting provisions in section 261(f)(2) of Pub. L. 97-34, set out above, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 124 of House Document No. 103-7.]

[Amendment by Pub. L. 101-508 applicable to fiscal years beginning after 1990, see section 11405(c)(2) of Pub. L. 101-508, set out as an Effective Date of 1990 Amendment note above.]

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.

SPECIAL RULES FOR NEWLY TARGETED GROUPS

Pub. L. 95-600, title III, § 321(d)(2), Nov. 6, 1978, 92 Stat. 2835, as amended by Pub. L. 96-222, title I, § 103(a)(6)(C), (G)(xi), Apr. 1, 1980, 94 Stat. 209, 211; Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(A) INDIVIDUAL MUST BE HIRED AFTER SEPTEMBER 26, 1978.—In the case of a member of a newly targeted group, for purposes of applying the amendments made by this section—

“(i) such individual shall be taken into account for purposes of the credit allowable by section 44B of the

Internal Revenue Code of 1986 [formerly I.R.C. 1954] only if such individual is first hired by the employer after September 26, 1978, and

“(ii) such individual shall be treated for purposes of such credit as having first begun work for the employer not earlier than January 1, 1979.

“(B) MEMBER OF NEWLY TARGETED GROUP DEFINED.—For purposes of subparagraph (A), an individual is a member of a newly targeted group if—

“(i) such individual meets the requirements of paragraph (1) of section 51(d) of such Code, and

“(ii) in the case of an individual meeting the requirements of subparagraph (A) of such paragraph (1), a credit was not claimed for such individual by the taxpayer for a taxable year beginning before January 1, 1979.”

CREDIT ALLOWABLE BY SECTION 44B IN CASE OF TAXABLE YEAR BEGINNING IN 1978 AND ENDING AFTER DECEMBER 31, 1978

Pub. L. 95-600, title III, § 321(d)(3), Nov. 6, 1978, 92 Stat. 2836, as amended by Pub. L. 96-222, title I, § 103(a)(6)(D), Apr. 1, 1980, 94 Stat. 209; Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “In the case of a taxable year which begins in 1978 and ends after December 31, 1978, the amount of the credit determined under section 51 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] shall be the sum of—

“(A) the amount of the credit which would be so determined without regard to the amendments made by this section, plus

“(B) the amount of the credit which would be so determined by reason of the amendments made by this section.”

§ 51A. Repealed. Pub. L. 109-432, div. A, title I, § 105(e)(4)(A), Dec. 20, 2006, 120 Stat. 2937]

Section, added Pub. L. 105-34, title VIII, § 801(a), Aug. 5, 1997, 111 Stat. 869; amended Pub. L. 105-277, div. J, title I, § 1003, Oct. 21, 1998, 112 Stat. 2681-888; Pub. L. 106-170, title V, § 505(a), Dec. 17, 1999, 113 Stat. 1921; Pub. L. 107-16, title IV, § 411(c), June 7, 2001, 115 Stat. 63; Pub. L. 107-147, title IV, § 417(4), title VI, § 605(a), Mar. 9, 2002, 116 Stat. 56, 60; Pub. L. 108-311, title III, § 303(a)(2), Oct. 4, 2004, 118 Stat. 1179; Pub. L. 109-432, div. A, title I, § 105(a), Dec. 20, 2006, 120 Stat. 2936, related to temporary incentives for employing long-term family assistance recipients. See section 51(e) of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal applicable to individuals who begin work for the employer after Dec. 31, 2006, see section 105(f)(2) of Pub. L. 109-432, set out as an Effective Date of 2006 Amendment note under section 51 of this title.

§ 52. Special rules

(a) Controlled group of corporations

For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) determined under section 51(a) with respect to each such member shall be its proportionate share of the wages giving rise to such credit. For purposes of this subsection, the term “controlled group of corporations” has the meaning given to such term by section 1563(a), except that—

(1) “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears in section 1563(a)(1), and

(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.