

as follows: “For exemptions of citizens deriving income mainly from sources within possessions of the United States, see section 931(e).”

Par. (5). Pub. L. 99-514, § 1272(d)(7), redesignated par. (5) as (4).

Pub. L. 99-514, § 1301(j)(8), substituted “section 7703” for “section 143”.

1976—Par. (5). Pub. L. 94-455, § 1901(b)(7)(C), added par. (5).

1966—Par. (3). Pub. L. 89-809 substituted “873(b)(3)” for “873(d)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 1272(d)(7) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

Amendment by section 1301(j)(8) of Pub. L. 99-514 applicable to bonds issued after Aug. 15, 1986, except as otherwise provided, see sections 1311 to 1318 of Pub. L. 99-514, set out as an Effective Date; Transitional Rules note under section 141 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 applicable with respect to taxable years beginning after Dec. 31, 1976, see section 103(n)(1) of Pub. L. 94-455, set out as a note under section 2 of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-809 applicable with respect to taxable years beginning after Dec. 31, 1966, see section 103(n)(1) of Pub. L. 89-809, set out as a note under section 871 of this title.

PART VI—ITEMIZED DEDUCTIONS FOR INDIVIDUALS AND CORPORATIONS

Sec.	
161.	Allowance of deductions.
162.	Trade or business expenses.
163.	Interest.
164.	Taxes.
165.	Losses.
166.	Bad debts.
167.	Depreciation.
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169.	Amortization of pollution control facilities.
170.	Charitable, etc., contributions and gifts.
171.	Amortizable bond premium.
172.	Net operating loss deduction.
173.	Circulation expenditures.
174.	Research and experimental expenditures.
175.	Soil and water conservation expenditures; endangered species recovery expenditures.
176.	Payments with respect to employees of certain foreign corporations.
[177.	Repealed.]
178.	Amortization of cost of acquiring a lease.
179.	Election to expense certain depreciable business assets.
[179A.	Repealed.]
179B.	Deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations.
179C.	Election to expense certain refineries.
179D.	Energy efficient commercial buildings deduction.
179E.	Election to expense advanced mine safety equipment.

Sec.	
180.	Expenditures by farmers for fertilizer, etc.
181.	Treatment of certain qualified film and television and live theatrical productions.
[182.	Repealed.]
183.	Activities not engaged in for profit.
[184, 185.	Repealed.]
186.	Recoveries of damages for antitrust violations, etc.
[187 to 189.	Repealed.]
190.	Expenditures to remove architectural and transportation barriers to the handicapped and elderly.
191.	Amortization of certain rehabilitation expenditures for certified historic structures. ¹
192.	Contributions to black lung benefit trust.
193.	Tertiary injectants.
194.	Treatment of reforestation expenditures.
194A.	Contributions to employer liability trusts.
195.	Start-up expenditures.
196.	Deduction for certain unused business credits.
197.	Amortization of goodwill and certain other intangibles.
198.	Expensing of environmental remediation costs.
[198A, 199.	Repealed.]
199A.	Qualified business income.

AMENDMENT OF ANALYSIS

Pub. L. 115-97, title I, § 13206(c), (e), Dec. 22, 2017, 131 Stat. 2112, 2113, provided that, applicable to amounts paid or incurred in taxable years beginning after Dec. 31, 2021, this analysis is amended by striking item 174 and inserting a new item 174 “Amortization of research and experimental expenditures.” See 2017 Amendment note below.

Editorial Notes

AMENDMENTS

2017—Pub. L. 115-97, title I, §§ 11011(d)(6), 13305(a), Dec. 22, 2017, 131 Stat. 2071, 2126, struck out item 199 “Income attributable to domestic production activities” and added item 199A.

Pub. L. 115-97, title I, § 13206(c), Dec. 22, 2017, 131 Stat. 2112, substituted “Amortization of research and experimental expenditures” for “Research and experimental expenditures” in item 174.

2015—Pub. L. 114-113, div. Q, title I, § 169(b)(3), Dec. 18, 2015, 129 Stat. 3068, substituted “Treatment of certain qualified film and television and live theatrical productions” for “Treatment of certain qualified film and television productions” in item 181.

2014—Pub. L. 113-295, div. A, title II, § 221(a)(34)(A), (35), Dec. 19, 2014, 128 Stat. 4042, which directed amendment of table of sections for part VI of subchapter A of this chapter by striking items 179A and 198A, was executed by striking items 179A “Deduction for clean-fuel vehicles and certain refueling property” and 198A “Expensing of Qualified Disaster Expenses” in table of sections for part VI of this subchapter to reflect the probable intent of Congress.

2008—Pub. L. 110-343, div. C, title VII, § 707(b), Oct. 3, 2008, 122 Stat. 3924, added item 198A.

Pub. L. 110-234, title XV, § 15303(a)(2)(C), May 22, 2008, 122 Stat. 1501, and Pub. L. 110-246, title XV, § 15303(a)(2)(C), June 18, 2008, 122 Stat. 2263, made identical amendments, inserting “; endangered species recovery expenditures” after “conservation expenditures” in item 175. The amendment by Pub. L. 110-234 was repealed by Pub. L. 110-246, § 4(a), June 18, 2008, 122 Stat. 1664.

2006—Pub. L. 109-432, div. A, title IV, § 404(b)(4), Dec. 20, 2006, 120 Stat. 2956, added item 179E.

¹Section 191 was repealed by Pub. L. 97-34 without corresponding amendment of part analysis.

2005—Pub. L. 109-58, title XIII, §§1323(b)(4), 1331(c), Aug. 8, 2005, 119 Stat. 1015, 1024, added items 179C and 179D.

2004—Pub. L. 108-357, title I, §102(d)(8), title II, §244(b), title III, §§322(c)(5), 338(b)(6), Oct. 22, 2004, 118 Stat. 1429, 1446, 1475, 1481, added items 179B, 181, and 199, and substituted “Treatment” for “Amortization” in item 194.

1997—Pub. L. 105-34, title IX, §941(b), Aug. 5, 1997, 111 Stat. 885, added item 198.

1993—Pub. L. 103-66, title XIII, §13261(f)(6), Aug. 10, 1993, 107 Stat. 539, added item 197.

1992—Pub. L. 102-486, title XIX, §1913(a)(3)(B), Oct. 24, 1992, 106 Stat. 3019, added item 179A.

1990—Pub. L. 101-508, title XI, §11801(b)(3), Nov. 5, 1990, 104 Stat. 1388-522, struck out item 184 “Amortization of certain railroad rolling stock” and item 188 “Amortization of certain expenditures for child care facilities”.

1986—Pub. L. 99-514, title II, §§201(d)(2)(B), 241(b)(3), 242(b)(3), title IV, §402(b)(3), title VIII, §803(c)(2), Oct. 22, 1986, 100 Stat. 2139, 2181, 2221, 2356, substituted “Amortization of cost of acquiring a lease” for “Depreciation or amortization of improvements made by lessee on lessor’s property” in item 178, and struck out items 177 “Trademark and trade name expenditures”, 182 “Expenditures by farmers for clearing land”, 185 “Amortization of railroad grading and tunnel bores”, and 189 “Amortization of real property construction period interest and taxes”.

1984—Pub. L. 98-369, div. A, title I, §94(b), title IV, §474(r)(8)(B), July 18, 1984, 98 Stat. 615, 841, reenacted item 195 without change, and substituted “business credits” for “investment credits” in item 196.

1983—Pub. L. 97-448, title III, §305(b)(2), Jan. 12, 1983, 96 Stat. 2399, redesignated item 194 (relating to contributions to employer liability trusts) as 194A.

1982—Pub. L. 97-248, title II, §205(a)(5)(C), Sept. 3, 1982, 96 Stat. 430, added item 196.

1981—Pub. L. 97-34, title II, §§201(d), 202(d)(3), Aug. 13, 1981, 95 Stat. 219, 221, added item 168 and substituted “Election to expense certain depreciable business assets” for “Additional first-year depreciation allowance for small business” in item 179.

1980—Pub. L. 96-605, title I, §102(b), Dec. 28, 1980, 94 Stat. 3522, added item 195.

Pub. L. 96-451, title III, §301(c)(2), Oct. 14, 1980, 94 Stat. 1991, added item 194 relating to amortization of reforestation expenditures.

Pub. L. 96-364, title II, §209(c)(2), Sept. 26, 1980, 94 Stat. 1291, added item 194 relating to contributions to employer liability trusts.

Pub. L. 96-223, title II, §251(a)(2)(A), Apr. 2, 1980, 94 Stat. 287, added item 193.

1978—Pub. L. 95-227, §4(b)(2), Feb. 10, 1978, 95 Stat. 17, added item 192.

1977—Pub. L. 95-30, title IV, §402(a)(4), May 23, 1977, 91 Stat. 155, struck out “on-the-job training and” after “certain expenditures for” in item 188.

1976—Pub. L. 94-455, title II, §201(b), title XIX, §§1901(b)(11)(B), 1951(c)(2)(D), title XXI, §§2122(b)(1), 2124(a)(3)(A), Oct. 4, 1976, 90 Stat. 1527, 1795, 1841, 1915, 1917, struck out item 168 “Amortization of emergency facilities” and item 187 “Amortization of certain coal mine safety equipment” and added items 189, 190, and 191.

1971—Pub. L. 92-178, title III, §303(c)(6), Dec. 10, 1971, 85 Stat. 522, added item 188.

1969—Pub. L. 91-172, title II, §213(c)(1), title VII, §§704(b)(1), 705(b), 707(b), title IX, §904(b), Dec. 30, 1969, 83 Stat. 572, 669, 674, 675, 712, substituted reference to pollution control facilities for reference to grain storage facilities in item 169, and added items 183 to 187.

1964—Pub. L. 88-272, title II, §203(a)(3)(D), Feb. 26, 1964, 78 Stat. 34, struck out item 181 “Deduction for certain unused investment credit”.

1962—Pub. L. 87-834, §§2(g)(3), 21(c), Oct. 16, 1962, 76 Stat. 973, 1064, added items 181, 182.

1960—Pub. L. 86-779, §6(b), Sept. 14, 1960, 74 Stat. 1001, added item 180.

1958—Pub. L. 85-866, title I, §15(b), title II, §204(b), Sept. 2, 1958, 72 Stat. 1613, 1680, added items 178 and 179.

1956—Act June 29, 1956, ch. 464, §4(b), 70 Stat. 406, added item 177.

1954—Act Sept. 1, 1954, ch. 1206, title II, §210(b), 68 Stat. 1097, added item 176.

§ 161. Allowance of deductions

In computing taxable income under section 63, there shall be allowed as deductions the items specified in this part, subject to the exceptions provided in part IX (sec. 261 and following, relating to items not deductible).

(Aug. 16, 1954, ch. 736, 68A Stat. 45; Pub. L. 95-30, title I, §102(b)(1), May 23, 1977, 91 Stat. 137.)

Editorial Notes

AMENDMENTS

1977—Pub. L. 95-30 substituted “section 63” for “section 63(a)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-30 applicable to taxable years beginning after Dec. 31, 1976, see section 106(a) of Pub. L. 95-30, set out as a note under section 1 of this title.

§ 162. Trade or business expenses

(a) In general

There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including—

(1) a reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.

For purposes of the preceding sentence, the place of residence of a Member of Congress (including any Delegate and Resident Commissioner) within the State, congressional district, or possession which he represents in Congress shall be considered his home, but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes. For purposes of paragraph (2), the taxpayer shall not be treated as being temporarily away from home during any period of employment if such period exceeds 1 year. The preceding sentence shall not apply to any Federal employee during any period for which such employee is certified by the Attorney General (or the designee thereof) as traveling on behalf of the United States in temporary duty status to investigate or prosecute, or provide support services for the investigation or prosecution of, a Federal crime.