

tion [enacting this section] shall apply to expenditures paid or incurred after the date of the enactment of this Act [Aug. 5, 1997], in taxable years ending after such date.”

[§ 198A. Repealed. Pub. L. 113-295, div. A, title II, § 221(a)(35), Dec. 19, 2014, 128 Stat. 4042]

Section, added Pub. L. 110-343, div. C, title VII, § 707(a), Oct. 3, 2008, 122 Stat. 3923, related to expensing of qualified disaster expenses. Repeal was executed to this section, which is in part VI of subchapter B of chapter 1, to reflect the probable intent of Congress, notwithstanding directory language of Pub. L. 113-295, which repealed section 198A in part VI of subchapter A of chapter 1.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

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

[§ 199. Repealed. Pub. L. 115-97, title I, § 13305(a), Dec. 22, 2017, 131 Stat. 2126]

Section, added Pub. L. 108-357, title I, § 102(a), Oct. 22, 2004, 118 Stat. 1424; amended Pub. L. 109-135, title IV, § 403(a)(1)-(13), Dec. 21, 2005, 119 Stat. 2615-2619; Pub. L. 109-222, title V, § 514(a), (b), May 17, 2006, 120 Stat. 366; Pub. L. 109-432, div. A, title IV, § 401(a), Dec. 20, 2006, 120 Stat. 2953; Pub. L. 110-343, div. B, title IV, § 401(a), (b), div. C, title III, § 312(a), title V, § 502(c), Oct. 3, 2008, 122 Stat. 3851, 3869, 3876; Pub. L. 111-312, title VII, § 746(a), Dec. 17, 2010, 124 Stat. 3319; Pub. L. 112-240, title III, § 318(a), Jan. 2, 2013, 126 Stat. 2331; Pub. L. 113-295, div. A, title I, § 130(a), title II, §§ 219(b), 221(a)(37), Dec. 19, 2014, 128 Stat. 4018, 4035, 4043; Pub. L. 114-113, div. P, title III, § 305(a), div. Q, title I, § 170(a), Dec. 18, 2015, 129 Stat. 3040, 3069, related to deduction of income attributable to domestic production activities.

SUBSECTION (c)(3)(C) OF THIS SECTION PRIOR TO REPEAL

Prior to repeal by section 13305(a) of Pub. L. 115-97, subsection (c)(3)(C) of this section read as follows:

(c) Qualified production activities income

(3) Special rules for determining costs

(C) Transportation costs of independent refiners

(i) In general

In the case of any taxpayer who is in the trade or business of refining crude oil and who is not a major integrated oil company (as defined in section 167(h)(5)(B), determined without regard to clause (iii) thereof) for the taxable year, in computing oil related qualified production activities income under subsection (d)(9)(B), the amount allocated to domestic production gross receipts under paragraph (1)(B) for costs related to the transportation of oil shall be 25 percent of the amount properly allocable under such paragraph (determined without regard to this subparagraph).

(ii) Termination

Clause (i) shall not apply to any taxable year beginning after December 31, 2021.

See Amendment Relating to Consolidated Appropriations Act, 2016 note below.

SUBSECTION (d)(8) OF THIS SECTION PRIOR TO REPEAL

Prior to repeal by section 13305(a) of Pub. L. 115-97, subsection (d)(8) of this section read as follows:

(d) Definitions and special rules

(8) Treatment of activities in Puerto Rico

(A) In general

In the case of any taxpayer with gross receipts for any taxable year from sources within the Commonwealth of Puerto Rico, if all of such receipts are taxable under section 1 or 11 for such taxable year, then for purposes of determining the domestic production gross receipts of such taxpayer for such taxable year under subsection (c)(4), the term “United States” shall include the Commonwealth of Puerto Rico.

(B) Special rule for applying wage limitation

In the case of any taxpayer described in subparagraph (A), for purposes of applying the limitation under subsection (b) for any taxable year, the determination of W-2 wages of such taxpayer shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services performed in Puerto Rico.

(C) Termination

This paragraph shall apply only with respect to the first 11 taxable years of the taxpayer beginning after December 31, 2005, and before January 1, 2017.

See Extension of Deduction Allowable With Respect to Income Attributable to Domestic Production Activities in Puerto Rico note below.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal applicable to taxable years beginning after Dec. 31, 2017, except as provided by transition rule, see section 13305(c) of Pub. L. 115-97, set out as an Effective Date of 2017 Amendment note under section 74 of this title.

AMENDMENT RELATING TO CONSOLIDATED APPROPRIATIONS ACT, 2016

Pub. L. 115-141, div. U, title I, § 102, Mar. 23, 2018, 132 Stat. 1169, provided that:

“(a) AMENDMENT RELATING TO SECTION 305 OF DIVISION P.—For purposes of applying section 199(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as in effect before its repeal by Public Law 115-97) [see Subsection (c)(3)(C) of this Section Prior to Repeal note above] to taxable years beginning after December 31, 2015, and before January 1, 2018, such section shall be applied—

“(1) by inserting ‘who elects the application of this clause for any taxable year,’ after ‘In the case of any taxpayer’.

“(2) by substituting ‘, and who’ for ‘and who’.

“(3) by substituting ‘such taxable year’ for ‘the taxable year’, and

“(4) by substituting ‘(as defined in subsection (d)(9)(B))’ for ‘under subsection (d)(9)(B)’.

“(b) EFFECTIVE DATE.—The amendment made by this section [amending this section] shall take effect as if included in section 305 of division P of the Consolidated Appropriations Act, 2016 [Pub. L. 114-113].”

EXTENSION OF DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO

Pub. L. 115-123, div. D, title I, § 40309, Feb. 9, 2018, 132 Stat. 146, provided that: “For purposes of applying sec-