ning after 1982, previously so applicable for taxable years beginning after 1981 and redefined ''base year'' by substituting the last taxable year beginning before 1976 for taxable years beginning after 1975 but before 1983, for the last taxable year beginning before 1976 for taxable years after 1975 but before 1982; and the last taxable year beginning before 1983 for taxable years beginning after 1982, for the last taxable year beginning before 1982 for taxable years beginning after 1981.

1976—Subsec. (b)(3), (4). Pub. L. 94–455 struck out ''or his delegate'' after ''Secretary''.

Statutory Notes and Related Subsidiaries

Effective Date of 1996 Amendment

Amendment by Pub. L. 104–188 applicable to taxable years beginning after Dec. 31, 1995, see section 1616(c) of Pub. L. 104–188, set out as a note under section 593 of this title.

Effective Date of 1988 Amendment

Amendment by Pub. L. 100–647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99–514, to which such amendment relates, see section 1019(a) of Pub. L. 100–647, set out as a note under section 1 of this title.

Effective Date of 1987 Amendment

Pub. L. 100–203, title X, §10301(c), Dec. 22, 1987, 101 Stat. 1330–429, provided that: ''The amendments made by this section [amending this section and sections 6201, 6425, 6601, 6651, and 6655 of this title and repealing section 6154 of this title] shall apply to taxable years beginning after December 31, 1987.''

Effective Date of 1986 Amendment

Amendment by Pub. L. 99–514 applicable to taxable years beginning after Dec. 31, 1986, see section 901(e) of Pub. L. 99–514, set out as a note under section 166 of this title.

Effective Date of 1981 Amendment

Pub. L. 97–34, title II, §267(b), Aug. 13, 1981, 95 Stat. 267, provided that: ''The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after 1981.''

Effective Date

Pub. L. 91–172, title IV, §431(d), Dec. 30, 1969, 83 Stat. 620, provided that: ''The amendments made by subsections (a) [enacting this section and section 586 of this title] and (c) [amending section 166 of this title] shall apply to taxable years beginning after July 11, 1969.''

Savings Provision

For provisions that nothing in amendment by Pub. L. 101–508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101–508, set out as a note under section 45K of this title.

[§ 586. Repealed. Pub. L. 99–514, title IX, § 901(c), Oct. 22, 1986, 100 Stat. 2378]

Section, added Pub. L. 91–172, title IV, §431(a), Dec. 30, 1969, 83 Stat. 618; amended Pub. L. 94–455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, related to reserves for losses on loans of small business investment companies, etc.

Statutory Notes and Related Subsidiaries

Effective Date of Repeal

Repeal applicable to taxable years beginning after Dec. 31, 1986, see section 901(e) of Pub. L. 99–514, set out

as an Effective Date of 1986 Amendment note under section 166 of this title.

PART II—MUTUAL SAVINGS BANKS, ETC.

Editorial Notes

Amendments

1996—Pub. L. 104–188, title I, §1616(b)(16), Aug. 20, 1996, 110 Stat. 1857, struck out items 595 ''Foreclosure on property securing loans'' and 596 ''Limitation on dividends received deduction''.

1989—Pub. L. 101–73, title XIV, §1401(b)(1), Aug. 9, 1989, 103 Stat. 549, repealed amendment made by Pub. L. 99–514, §904(b)(2), see 1986 Amendment note below.

Pub. L. 101–73, title XIV, §1401(a)(3)(C), Aug. 9, 1989, 103 Stat. 549, substituted ''Treatment of transactions in which Federal financial assistance provided'' for ''FSLIC or FDIC financial assistance'' in item 597.

1988—Pub. L. 100–647, title IV, §4012(b)(2)(D)(ii), Nov. 10, 1988, 102 Stat. 3658, substituted ''FSLIC or FDIC'' for ''FSLIC'' in item 597.

1986—Pub. L. 99–514, title IX, §904(b)(2), (c)(2)(A), Oct. 22, 1986, 100 Stat. 2385, as amended by Pub. L. 100–647, title IV, §4012(a)(2), Nov. 10, 1988, 102 Stat. 3656, which, applicable to transfers after Dec. 31, 1989, in taxable years ending after that date, directed amendment of analysis by striking out item 597, was repealed by Pub. L. 101–73, title XIV, §1401(b)(1), (c)(4), Aug. 9, 1989, 103 Stat. 549, 550, eff. Oct. 22, 1986, and applicable as if the amendments made by such section had not been enacted.

1981—Pub. L. 97–34, title II, §244(b), Aug. 13, 1981, 95 Stat. 255, added item 597.

1976—Pub. L. 94–455, title XIX, §1901(b)(19), Oct. 4, 1976, 90 Stat. 1796, struck out item 592 ''Deduction for repayment of certain loans''.

1969—Pub. L. 91–172, title IV, §434(b)(2), Dec. 30, 1969, 83 Stat. 625, added item 596.

1962—Pub. L. 87–834, §6(d), Oct. 16, 1962, 76 Stat. 984, substituted ''Reserves for losses on loans'' for ''Additions to reserve for bad debts'' in item 593, and added item 595.

§ 591. Deduction for dividends paid on deposits

(a) In general

In the case of mutual savings banks, cooperative banks, domestic building and loan associations, and other savings institutions chartered and supervised as savings and loan or similar associations under Federal or State law, there shall be allowed as deductions in computing taxable income amounts paid to, or credited to the accounts of, depositors or holders of accounts as dividends or interest on their deposits or withdrawable accounts, if such amounts paid or credited are withdrawable on demand subject only to customary notice of intention to withdraw.

(b) Mutual savings bank to include certain banks with capital stock

For purposes of this part, the term ''mutual savings bank'' includes any bank—

(1) which has capital stock represented by shares, and