

Sec.	
[936.	Repealed.] ¹
937.	Residence and source rules involving possessions.

Editorial Notes

AMENDMENTS

2018—Pub. L. 115-141, div. U, title IV, § 401(d)(1)(C), Mar. 23, 2018, 132 Stat. 1206, which directed that the table of sections for subpart C of part III of subchapter N of this chapter be amended by striking out item 936, could not be executed because item 936 “Puerto Rico and possession tax credit” had been editorially supplied.

2004—Pub. L. 108-357, title VIII, § 908(c)(6), Oct. 22, 2004, 118 Stat. 1657, added item 937.

1986—Pub. L. 99-514, title XII, §§ 1272(d)(12), 1274(d), 1275(c)(8), Oct. 22, 1986, 100 Stat. 2595, 2598, 2599, substituted “Guam, American Samoa, or the Northern Mariana Islands” for “possessions of the United States” in item 931, added item 932, and struck out former item 932 “Citizens of possessions of the United States”, item 934A “Income tax rate on Virgin Islands source income” and item 935 “Coordination of United States and Guam individual income taxes”.

1983—Pub. L. 97-455, § 1(d)(1), Jan. 12, 1983, 96 Stat. 2498, added item 934A.

1972—Pub. L. 92-606, § 1(f)(5), Oct. 31, 1972, 86 Stat. 1497, added item 935.

1960—Pub. L. 86-779, § 4(a)(2), Sept. 14, 1960, 74 Stat. 999, added item 934.

§ 931. Income from sources within Guam, American Samoa, or the Northern Mariana Islands**(a) General rule**

In the case of an individual who is a bona fide resident of a specified possession during the entire taxable year, gross income shall not include—

- (1) income derived from sources within any specified possession, and
- (2) income effectively connected with the conduct of a trade or business by such individual within any specified possession.

(b) Deductions, etc. allocable to excluded amounts not allowable

An individual shall not be allowed—

- (1) as a deduction from gross income any deductions (other than the deduction under section 151, relating to personal exemptions), or
- (2) any credit,

properly allocable or chargeable against amounts excluded from gross income under this section.

(c) Specified possession

For purposes of this section, the term “specified possession” means Guam, American Samoa, and the Northern Mariana Islands.

(d) Employees of the United States

Amounts paid for services performed as an employee of the United States (or any agency thereof) shall be treated as not described in paragraph (1) or (2) of subsection (a).

(Aug. 16, 1954, ch. 736, 68A Stat. 291; Pub. L. 89-809, title I, § 107(a), Nov. 13, 1966, 80 Stat. 1571; Pub. L. 92-178, title V, § 502(d), Dec. 10, 1971, 85 Stat. 550; Pub. L. 92-606, § 1(f)(1), Oct. 31, 1972, 86 Stat. 1497; Pub. L. 94-455, title X, § 1051(c), title

XIX, §§ 1901(a)(117), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1645, 1784, 1834; Pub. L. 95-30, title I, § 101(d)(12), May 23, 1977, 91 Stat. 134; Pub. L. 98-369, div. A, title VII, § 711(c)(2)(A)(iv), July 18, 1984, 98 Stat. 945; Pub. L. 99-514, title XII, § 1272(a), Oct. 22, 1986, 100 Stat. 2593; Pub. L. 108-357, title VIII, § 908(c)(1), Oct. 22, 2004, 118 Stat. 1656.)

Editorial Notes

AMENDMENTS

2004—Subsec. (d). Pub. L. 108-357 amended heading and text of subsec. (d) generally, substituting provisions relating to employees of the United States for provisions consisting of pars. (1) to (3) relating to special rules concerning employees of the United States, determination of source of income, and determination of residency.

1986—Pub. L. 99-514 amended section generally, substituting provisions relating to income from sources within Guam, American Samoa, or the Northern Mariana Islands, for former provisions relating to income from sources within possessions of the United States, which had declared in: subsec. (a), general rule as to gross income, including requirements relating to 3-year period and trade or business; subsec. (b), rule as to amounts received in United States; subsec. (c), definition of “possession of the United States”; subsec. (d), general rule allowing deductions only to extent connected with income from sources within United States, and specific exceptions to limitations of general rule; subsec. (e), deduction for personal exemption; subsec. (f), allowance of deductions and credits; subsec. (g), foreign tax credit; subsec. (h), provisions relating to employees of United States.

1984—Subsec. (d)(2)(B). Pub. L. 98-369 substituted “for losses” for “, for losses of property not connected with the trade or business if arising from certain casualties or theft,”.

1977—Subsec. (d)(3). Pub. L. 95-30 struck out par. (3) which made a cross reference to section 142(b)(2) for disallowance of the standard deduction.

1976—Subsec. (a). Pub. L. 94-455, § 1051(c)(1), struck out all references to domestic corporations and made subsection applicable only to individual citizens.

Subsec. (c). Pub. L. 94-455, § 1051(c)(2), substituted “Commonwealth of Puerto Rico, the Virgin Islands of the United States, or Guam” for “Virgin Islands of the United States, and such term when used with respect to citizens of the United States does not include Puerto Rico or Guam” after “does not include the”.

Subsec. (d)(1). Pub. L. 94-455, §§ 1051(c)(3), 1906(b)(13)(A), substituted “a citizen of the United States” for “persons” after “in the case of” and struck out “or his delegate” after “Secretary”.

Subsec. (f). Pub. L. 94-455, §§ 1051(c)(3), 1906(b)(13)(A), substituted “A citizen of the United States” for “Persons” after “Allowance of deductions and credits” and struck out in two places “or his delegate” after “Secretary”.

Subsecs. (h), (i). Pub. L. 94-455, § 1901(a)(117), redesignated subsec. (i) as (h). Former subsec. (h), relating to the status of a citizen of the United States who has been interned by the enemy, was struck out.

1972—Subsec. (c). Pub. L. 92-606 substituted “Puerto Rico or Guam” for “Puerto Rico”.

1971—Subsec. (a). Pub. L. 92-178 provided for non-application of section in the case of a corporation for a taxable year for which it is a DISC or in which it owns at any time stock in a DISC or former DISC.

1966—Subsec. (d). Pub. L. 89-809 made applicable to United States citizens and domestic corporations engaged in trade or business in possessions, who qualify for the special tax treatment of income qualifying for the exclusion relating to income from United States possessions, provisions which allow deductions to non-resident aliens or foreign corporations engaged in trade

¹ See 2018 Amendment note below.