

1964—Subsec. (a)(3). Pub. L. 88-272 struck out “(determined without regard to the 2 percent increase provided by section 1503(a))”, before “based on their contributions”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1901(a)(159) of Pub. L. 94-455 applicable with respect to taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as a note under section 2 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-272 applicable to taxable years beginning after Dec. 31, 1963, see section 234(c) of Pub. L. 88-272, set out as a note under section 1503 of this title.

PART II—CERTAIN CONTROLLED CORPORATIONS

Sec.	
1561.	Limitation on accumulated earnings credit in the case of certain controlled corporations.
[1562.	Repealed.]
1563.	Definitions and special rules.
[1564.	Repealed.]

Editorial Notes

AMENDMENTS

2017—Pub. L. 115-97, title I, §13001(b)(6)(B), Dec. 22, 2017, 131 Stat. 2098, which directed amendment of the table of sections for part II of subchapter B of chapter 5 by substituting “Limitation on accumulated earnings credit in the case of certain controlled corporations” for “Limitations on certain multiple tax benefits in the case of certain controlled corporations” in item 1561, was executed to the table of sections for part II of subchapter B of this chapter to reflect the probable intent of Congress.

1990—Pub. L. 101-508, title XI, §11801(b)(12), Nov. 5, 1990, 104 Stat. 1388-522, struck out item 1564 “Transitional rules in the case of certain controlled corporations”.

1969—Pub. L. 91-172, title IV, §401(a)(3), (b)(2)(E), Dec. 30, 1969, 83 Stat. 600, 602, substituted “Sec. 1561. Limitations on certain multiple tax benefits in the case of certain controlled corporations.” for “Sec. 1561. Surtax exemptions in case of certain controlled corporations.”, and struck out item 1562, effective with respect to taxable years beginning after Dec. 31, 1974, and added item 1564.

1964—Pub. L. 88-272, title II, §235(a), Feb. 26, 1964, 78 Stat. 116, added designation of part II, and items 1561 to 1563.

§ 1561. Limitation on accumulated earnings credit in the case of certain controlled corporations

(a) In general

The component members of a controlled group of corporations on a December 31 shall, for their taxable years which include such December 31, be limited for purposes of this subtitle to one \$250,000 (\$150,000 if any component member is a corporation described in section 535(c)(2)(B)) amount for purposes of computing the accumulated earnings credit under section 535(c)(2) and (3). Such amount shall be divided equally among the component members of such group on such December 31 unless the Secretary prescribes regulations permitting an unequal allocation of such amount.

(b) Certain short taxable years

If a corporation has a short taxable year which does not include a December 31 and is a compo-

nent member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle, the amount to be used in computing the accumulated earnings credit under section 535(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a) with respect to such group, divided by the number of corporations which are component members of such group on the last day of such taxable year. For purposes of the preceding sentence, section 1563(b) shall be applied as if such last day were substituted for December 31.

(Added Pub. L. 88-272, title II, §235(a), Feb. 26, 1964, 78 Stat. 116; amended Pub. L. 91-172, title IV, §401(a)(1), Dec. 30, 1969, 83 Stat. 599; Pub. L. 94-12, title III, §§303(c)(1), 304(b), Mar. 29, 1975, 89 Stat. 44, 45; Pub. L. 94-164, §4(d)(1), Dec. 23, 1975, 89 Stat. 974; Pub. L. 94-455, title IX, §901(c)(1), title XIX, §§1901(b)(1)(J)(v), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1607, 1791, 1834; Pub. L. 95-600, title III, §301(b)(19), title VII, §703(j)(7), Nov. 6, 1978, 92 Stat. 2823, 2941; Pub. L. 97-34, title II, §232(b)(3), Aug. 13, 1981, 95 Stat. 250; Pub. L. 97-248, title II, §259(b), (c), Sept. 3, 1982, 96 Stat. 539; Pub. L. 98-369, div. A, title I, §66(b), title II, §211(b)(21), July 18, 1984, 98 Stat. 585, 756; Pub. L. 99-499, title V, §516(b)(3), Oct. 17, 1986, 100 Stat. 1771; Pub. L. 99-514, title VII, §701(e)(2), Oct. 22, 1986, 100 Stat. 2342; Pub. L. 100-647, title II, §2004(l), Nov. 10, 1988, 102 Stat. 3606; Pub. L. 104-188, title I, §1703(f), Aug. 20, 1996, 110 Stat. 1876; Pub. L. 113-295, div. A, title II, §221(a)(12)(H), Dec. 19, 2014, 128 Stat. 4038; Pub. L. 115-97, title I, §12001(b)(16), 13001(b)(6)(A), Dec. 22, 2017, 131 Stat. 2094, 2098.)

Editorial Notes

AMENDMENTS

2017—Pub. L. 115-97, §13001(b)(6)(A), amended section generally. Prior to amendment, section related to limitations on certain multiple tax benefits in the case of certain controlled corporations.

Subsec. (a). Pub. L. 115-97, §12001(b)(16)(B), struck out at end “In applying section 55(d)(3), the alternative minimum taxable income of all component members shall be taken into account and any decrease in the exemption amount shall be allocated to the component members in the same manner as under paragraph (3).”

Subsec. (a)(3). Pub. L. 115-97, §12001(b)(16)(A), struck out par. (3) which read as follows: “one \$40,000 exemption amount for purposes of computing the amount of the minimum tax.”

2014—Subsec. (a). Pub. L. 113-295, §221(a)(12)(H)(ii), substituted “and the amount specified in paragraph (3)” for “, the amount specified in paragraph (3), and the amount specified in paragraph (4)” in concluding provisions.

Subsec. (a)(2) to (4). Pub. L. 113-295, §221(a)(12)(H)(i), inserted “and” at end of par. (2), substituted a period for “, and” at end of par. (3), and struck out par. (4) which read as follows: “one \$2,000,000 amount for purposes of computing the tax imposed by section 59A.”

1996—Subsec. (a). Pub. L. 104-188 in closing provisions substituted “last 2 sentences” for “last sentence” in two places.

1988—Subsec. (a). Pub. L. 100-647 substituted “section 11(b)(1)” for “section 11(b)” in par. (1) and in penultimate sentence.

1986—Subsec. (a). Pub. L. 99-514 added par. (3), and in concluding provisions, substituted “amounts specified in paragraph (1) (and the amount specified in paragraph (3))” for “amounts specified in paragraph (1)” and in-