

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.

PLAN AMENDMENTS NOT REQUIRED UNTIL
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§ 1101-1147 and 1171-1177] or title XVIII [§§ 1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

CERTAIN RECORDKEEPING REQUIREMENTS

For treatment of use of automobile by I.R.S. special agent for purposes of this section and section 132 of this title, see section 1567 of Pub. L. 99-514, set out as a note under section 132 of this title.

SUBSTANTIATION BY ADEQUATE CONTEMPORANEOUS
RECORDS

Pub. L. 99-44, §1(a), May 24, 1985, 99 Stat. 77, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided in part that: "the Internal Revenue Code of 1986 [formerly I.R.C. 1954] shall be applied and administered as if the word 'contemporaneous' had not been added [by Pub. L. 98-369] to such subsection (d) [subsec. (d) of this section]."

USE OF FACILITIES IN CASE OF INDEPENDENT
CONTRACTORS, ETC.

Pub. L. 96-222, title I, §103(a)(10)(C), Apr. 1, 1980, 94 Stat. 212, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

"(i) IN GENERAL.—Subsection (a) of section 274 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (relating to disallowance of certain entertainment, etc., expenses) shall not apply to expenses paid or incurred by the taxpayer for goods, services, and facilities to the extent that the expenses are includible in the gross income of a recipient of the entertainment, amusement, or recreation who is not an employee of the taxpayer as compensation for services rendered or as a prize or award under section 74 of such Code.

"(ii) INFORMATION RETURN REQUIREMENT.—Clause (i) shall not apply to any amount paid or incurred by the taxpayer if such amount is required to be included in any information return filed by such taxpayer under part III of subchapter A of chapter 61 of such Code [section 6031 et seq. of this title] and is not so included.

"(iii) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall only apply with respect to expenses paid or incurred during 1979 or 1980."

Executive Documents

TERMINATION OF TRUST TERRITORY OF THE PACIFIC
ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

§ 275. Certain taxes

(a) General rule

No deduction shall be allowed for the following taxes:

(1) Federal income taxes, including—

(A) the tax imposed by section 3101 (relating to the tax on employees under the Federal Insurance Contributions Act);

(B) the taxes imposed by sections 3201 and 3211 (relating to the taxes on railroad em-

ployees and railroad employee representatives); and

(C) the tax withheld at source on wages under section 3402.

(2) Federal war profits and excess profits taxes.

(3) Estate, inheritance, legacy, succession, and gift taxes.

(4) Income, war profits, and excess profits taxes imposed by the authority of any foreign country or possession of the United States if the taxpayer chooses to take to any extent the benefits of section 901.

(5) Taxes on real property, to the extent that section 164(d) requires such taxes to be treated as imposed on another taxpayer.

(6) Taxes imposed by chapters 37, 41, 42, 43, 44, 45, 46, 50A, and 54.

Paragraph (1) shall not apply to any taxes to the extent such taxes are allowable as a deduction under section 164(f).

(b) Cross reference

For disallowance of certain other taxes, see section 164(c).

(Added Pub. L. 88-272, title II, §207(b)(3)(A), Feb. 26, 1964, 78 Stat. 42; amended Pub. L. 93-406, title II, §1016(a)(1), Sept. 2, 1974, 88 Stat. 929; Pub. L. 94-455, title XIII, §1307(d)(2)(A), title XVI, §1605(b)(1), title XIX, §1901(a)(39), Oct. 4, 1976, 90 Stat. 1727, 1754, 1771; Pub. L. 95-600, title VII, §701(t)(3)(B), Nov. 6, 1978, 92 Stat. 2912; Pub. L. 97-248, title III, §§305(a), 308(a), Sept. 3, 1982, 96 Stat. 588, 591; Pub. L. 98-21, title I, §124(c)(5), Apr. 20, 1983, 97 Stat. 91; Pub. L. 98-67, title I, §102(a), Aug. 5, 1983, 97 Stat. 369; Pub. L. 98-369, div. A, title I, §67(b)(2), title VIII, §801(d)(5), July 18, 1984, 98 Stat. 587, 996; Pub. L. 99-499, title V, §516(b)(2)(B), Oct. 17, 1986, 100 Stat. 1771; Pub. L. 100-203, title X, §10228(b), Dec. 22, 1987, 101 Stat. 1330-418; Pub. L. 106-519, §4(2), Nov. 15, 2000, 114 Stat. 2432; Pub. L. 108-357, title I, §101(b)(5), title VIII, §802(b)(1), Oct. 22, 2004, 118 Stat. 1423, 1568; Pub. L. 110-172, §11(g)(5), Dec. 29, 2007, 121 Stat. 2490; Pub. L. 113-295, div. A, title II, §221(a)(12)(E), Dec. 19, 2014, 128 Stat. 4038; Pub. L. 117-169, title I, §§10201(b), 11003(b), Aug. 16, 2022, 136 Stat. 1831, 1864.)

Editorial Notes

REFERENCES IN TEXT

The Federal Insurance Contributions Act, referred to in subsec. (a)(1)(A), is act Aug. 16, 1954, ch. 736, §§3101, 3102, 3111, 3112, 3121 to 3128, 68A Stat. 415, which is classified generally to chapter 21 (§3101 et seq.) of this title. For complete classification of this Act to the Code, see section 3128 of this title and Tables.

CODIFICATION

Pub. L. 95-600, §701(t)(3)(B) (effective Oct. 4, 1976, see Pub. L. 95-600, §701(t)(5), set out as an Effective Date of 1978 Amendment note under section 859 of this title) repealed §1605(b)(1) of Pub. L. 94-455, cited as a credit to this section, which had duplicated the amendment to subsec. (a)(6) made by §1307(d)(2)(A) of Pub. L. 94-455.

AMENDMENTS

2022—Subsec. (a)(6). Pub. L. 117-169, §11003(b), inserted "50A." after "46".

Pub. L. 117-169, §10201(b), inserted "37," before "41".

2014—Subsec. (a). Pub. L. 113-295 struck out "Paragraph (1) shall not apply to the tax imposed by section 59A." at end of concluding provisions.

2007—Subsec. (a)(4). Pub. L. 110-172 substituted “if the taxpayer chooses to take to any extent the benefits of section 901.” for “if—

“(A) the taxpayer chooses to take to any extent the benefits of section 901, or

“(B) such taxes are paid or accrued with respect to foreign trade income (within the meaning of section 923(b)) of a FSC.”

2004—Subsec. (a). Pub. L. 108-357, §101(b)(5)(B), struck out at end of concluding provisions “A rule similar to the rule of section 943(d) shall apply for purposes of paragraph (4)(C).”

Subsec. (a)(4). Pub. L. 108-357, §101(b)(5)(A), inserted “or” at end of subpar. (A), substituted period for “or” at end of subpar. (B), and struck out subpar. (C) which read as follows: “such taxes are paid or accrued with respect to qualifying foreign trade income (as defined in section 941).”

Subsec. (a)(6). Pub. L. 108-357, §802(b)(1), inserted “45,” before “46.”

2000—Subsec. (a). Pub. L. 106-519, §4(2)(B), inserted at end “A rule similar to the rule of section 943(d) shall apply for purposes of paragraph (4)(C).”

Subsec. (a)(4)(C). Pub. L. 106-519, §4(2)(A), added subpar. (C).

1987—Subsec. (a)(6). Pub. L. 100-203 substituted “46, and 54” for “and 46”.

1986—Subsec. (a). Pub. L. 99-499 inserted at end “Paragraph (1) shall not apply to the tax imposed by section 59A.”

1984—Subsec. (a)(4). Pub. L. 98-369, §801(d)(5), inserted provision disallowing a deduction for income, war profits, and excess profits taxes if such taxes are paid or accrued with respect to foreign trade income, within the meaning of section 923(b), of a FSC.

Subsec. (a)(6). Pub. L. 98-369, §67(b)(2), inserted reference to chapter 46.

1983—Subsec. (a). Pub. L. 98-21 inserted at end “Paragraph (1) shall not apply to any taxes to the extent such taxes are allowable as a deduction under section 164(f).”

Subsec. (a)(1). Pub. L. 98-67 repealed amendments made by Pub. L. 97-248. See 1982 Amendment note below.

1982—Subsec. (a)(1). Pub. L. 97-248 provided that, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, par. (1) is amended by striking out “and” at end of subpar. (B), by substituting “; and” for the period at end of subpar. (C), and by inserting subpar. (D) relating to the tax withheld at source on interest, dividends, and patronage dividends under section 3451. Section 102(a), (b) of Pub. L. 98-67, title I, Aug. 5, 1983, 97 Stat. 369, repealed subtitle A (§§301-308) of title III of Pub. L. 97-248 as of the close of June 30, 1983, and provided that the Internal Revenue Code of 1954 [now 1986] [this title] shall be applied and administered (subject to certain exceptions) as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

1976—Subsec. (a)(1)(C). Pub. L. 94-455, §1901(a)(39), struck out “, and corresponding provisions of prior revenue laws” after “under section 3402”.

Subsec. (a)(6). Pub. L. 94-455, §§1307(d)(2)(A), 1605(b)(1), inserted reference to chapters 41 and 44.

1974—Subsec. (a)(6). Pub. L. 93-406 added par. (6).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by section 10201(b) of Pub. L. 117-169 applicable to repurchases (within the meaning of section 4501(c) of this title) of stock after Dec. 31, 2022, see section 10201(d) of Pub. L. 117-169, set out as an Effective Date note under section 4501 of this title.

Amendment by section 11003(b) of Pub. L. 117-169 applicable to sales after Aug. 16, 2022, see section 11003(d) of Pub. L. 117-169, set out as an Effective Date note under section 5000D of this title.

EFFECTIVE DATE OF 2014 AMENDMENT

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

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by section 101(b)(5) of Pub. L. 108-357 applicable to transactions after Dec. 31, 2004, see section 101(c) of Pub. L. 108-357, set out as a note under section 56 of this title.

Amendment by section 802(b)(1) of Pub. L. 108-357 effective Mar. 4, 2003, see section 802(d) of Pub. L. 108-357, set out as an Effective Date note under section 4985 of this title.

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by Pub. L. 106-519 applicable to transactions after Sept. 30, 2000, with special rules relating to existing foreign sales corporations, see section 5 of Pub. L. 106-519, set out as a note under section 56 of this title.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 applicable to consideration received after Dec. 22, 1987, in taxable years ending after such date, except not applicable in the case of any acquisition pursuant to a written binding contract in effect on Dec. 15, 1987, and at all times thereafter before the acquisition, see section 10228(d) of Pub. L. 100-203, set out as an Effective Date note under section 5881 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-499 applicable to taxable years beginning after Dec. 31, 1986, see section 516(c) of Pub. L. 99-499, set out as a note under section 26 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 67(b)(2) of Pub. L. 98-369 applicable to payments under agreements entered into or renewed after June 14, 1984, in taxable years ending after such date, with contracts entered into before June 15, 1984, which are amended after June 14, 1984, in any significant relevant aspect to be treated as a contract entered into after June 14, 1984, see section 67(e) of Pub. L. 98-369, set out as an Effective Date note under section 280G of this title.

Amendment by section 801(d)(5) of Pub. L. 98-369 applicable to transactions after Dec. 31, 1984, in taxable years ending after such date, see section 805(a)(1) of Pub. L. 98-369, as amended, set out as a note under section 245 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-21 applicable to taxable years beginning after Dec. 31, 1989, see section 124(d)(2) of Pub. L. 98-21, set out as a note under section 1401 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

For effective date of amendment by section 1307(d)(2)(A) of Pub. L. 94-455, see section 1307(e) of Pub. L. 94-455, set out as a note under section 501 of this title.

For effective date of amendment by section 1605(b)(1) of Pub. L. 94-455, see section 1608(d) of Pub. L. 94-455, set out as a note under section 856 of this title.

Amendment by section 1901(a)(39) of Pub. L. 94-455 effective for 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 1974 AMENDMENT

Amendment by Pub. L. 93-406 applicable, except as otherwise provided in section 1017(c) through (i) of Pub. L. 93-406, for plan years beginning after Sept. 2, 1974,

but, in the case of plans in existence on Jan. 1, 1974, amendment by Pub. L. 93-406 applicable for plan years beginning after Dec. 31, 1975, see section 1017 of Pub. L. 93-406, set out as a note under section 410 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1963, see section 207(c) of Pub. L. 88-272, set out as an Effective Date of 1964 Amendment note under section 164 of this title.

§ 276. Certain indirect contributions to political parties

(a) Disallowance of deduction

No deduction otherwise allowable under this chapter shall be allowed for any amount paid or incurred for—

(1) advertising in a convention program of a political party, or in any other publication if any part of the proceeds of such publication directly or indirectly inures (or is intended to inure) to or for the use of a political party or a political candidate,

(2) admission to any dinner or program, if any part of the proceeds of such dinner or program directly or indirectly inures (or is intended to inure) to or for the use of a political party or a political candidate, or

(3) admission to an inaugural ball, inaugural gala, inaugural parade, or inaugural concert, or to any similar event which is identified with a political party or a political candidate.

(b) Definitions

For purposes of this section—

(1) Political party

The term “political party” means—

(A) a political party;

(B) a National, State, or local committee of a political party; or

(C) a committee, association, or organization, whether incorporated or not, which directly or indirectly accepts contributions (as defined in section 271(b)(2)) or make expenditures (as defined in section 271(b)(3)) for the purpose of influencing or attempting to influence the selection, nomination, or election of any individual to any Federal, State, or local elective public office, or the election of presidential and vice-presidential electors, whether or not such individual or electors are selected, nominated, or elected.

(2) Proceeds inuring to or for the use of political candidates

Proceeds shall be treated as inuring to or for the use of a political candidate only if—

(A) such proceeds may be used directly or indirectly for the purpose of furthering his candidacy for selection, nomination, or election to any elective public office, and

(B) such proceeds are not received by such candidate in the ordinary course of a trade or business (other than the trade or business of holding elective public office).

(c) Cross reference

For disallowance of certain entertainment, etc., expenses, see section 274.

(Added Pub. L. 89-368, title III, §301(a), Mar. 15, 1966, 80 Stat. 66; amended Pub. L. 90-364, title I,

§108(a), June 28, 1968, 82 Stat. 268; Pub. L. 93-443, title IV, §406(d), Oct. 15, 1974, 88 Stat. 1296.)

Editorial Notes

AMENDMENTS

1974—Subsecs. (c), (d). Pub. L. 93-443 struck out subsec. (c) relating to advertising in a convention program of a national political convention, and redesignated subsec. (d) as (c).

1968—Subsecs. (c), (d). Pub. L. 90-364 added subsec. (c) and redesignated former subsec. (c) as (d).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-443 applicable with respect to taxable years beginning after Dec. 31, 1974, see section 410(c)(1) of Pub. L. 93-443, set out as a note under section 30101 of Title 52, Voting and Elections.

EFFECTIVE DATE OF 1968 AMENDMENT

Pub. L. 90-364, title I, §108(b), June 28, 1968, 82 Stat. 269, provided that: “The amendments made by subsection (a) [amending this section] shall apply with respect to amounts paid or incurred on or after January 1, 1968.”

EFFECTIVE DATE

Pub. L. 89-368, title III, §301(c), Mar. 15, 1966, 80 Stat. 67, provided that: “The amendments made by subsections (a) and (b) [enacting this section] shall apply to taxable years beginning after December 31, 1965, but only with respect to amounts paid or incurred after the date of the enactment of this Act [Mar. 15, 1966].”

PROGRAM ADVERTISING FOR PRESIDENTIAL AND VICE-PRESIDENTIAL NOMINATING CONVENTIONS

Pub. L. 90-346, June 18, 1968, 82 Stat. 183, provided for advertising in a convention program of a national political convention, applicable with respect to amounts paid or incurred on or after Jan. 1, 1968, prior to repeal by Pub. L. 93-625, §10(g), Jan. 3, 1975, 88 Stat. 2119.

§ 277. Deductions incurred by certain membership organizations in transactions with members

(a) General rule

In the case of a social club or other membership organization which is operated primarily to furnish services or goods to members and which is not exempt from taxation, deductions for the taxable year attributable to furnishing services, insurance, goods, or other items of value to members shall be allowed only to the extent of income derived during such year from members or transactions with members (including income derived during such year from institutes and trade shows which are primarily for the education of members). If for any taxable year such deductions exceed such income, the excess shall be treated as a deduction attributable to furnishing services, insurance, goods, or other items of value to members paid or incurred in the succeeding taxable year. The deductions provided by sections 243 and 245 (relating to dividends received by corporations) shall not be allowed to any organization to which this section applies for the taxable year.

(b) Exceptions

Subsection (a) shall not apply to any organization—

(1) which for the taxable year is subject to taxation under subchapter H or L,