lief Reconciliation Act of 2001, Pub. L. 107–16, to which such amendment relates, see section 411(x) of Pub. L. 107–147, set out as a note under section 25B of this title.

EFFECTIVE AND TERMINATION DATES OF 2001 AMENDMENT

Amendment by Pub. L. 107–22 effective July 26, 2001, see section 1(c) of Pub. L. 107–22, set out as a note under section 26 of this title.

Amendment by section 401(a)(1), (b)–(g)(1), (2)(C) of Pub. L. 107–16 applicable to taxable years beginning after Dec. 31, 2001, see section 401(h) of Pub. L. 107–16, set out as a note under section 25A of this title.

Amendment by section 402(a)(4)(A), (C) of Pub. L. 107–16 applicable to taxable years beginning after Dec. 31, 2001, see section 402(h) of Pub. L. 107–16, set out as an Effective Date of 2001 Amendment note under section 72 of this title.

Amendment by section 401(a)(1), (b)–(g)(1), (2)(C) of Pub. L. 107–16 inapplicable to taxable, plan, or limitation years beginning after Dec. 31, 2010, and the Internal Revenue Code of 1986 to be applied and administered to such years as if such amendment had never been enacted, see section 901 of Pub. L. 107–16, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105–206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105–34, to which such amendment relates, see section 6024 of Pub. L. 105–206, set out as a note under section 1 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1997, see section 213(f) of Pub. L. 105–34, set out as an Effective Date of 1997 Amendment note under section 26 of this title.

Subchapter G—Corporations Used to Avoid Income Tax on Shareholders

Part
I. Corporations improperly accumulating surplus.
II. Personal holding companies.
[III. Repealed.]
IV. Deduction for dividends paid.

AMENDMENTS

2004—Pub. L. 108–357, title IV, § 413(c)(31), Oct. 22, 2004, 118 Stat. 1509, struck out item for part III ''Foreign personal holding companies''.

PART I—CORPORATIONS IMPROPERLY ACCUMULATING SURPLUS

Sec.
531. Imposition of accumulated earnings tax.
532. Corporations subject to accumulated earnings tax.
533. Evidence of purpose to avoid income tax.
534. Burden of proof.
535. Accumulated taxable income.
536. Income not placed on annual basis.
537. Reasonable needs of the business.

§ 531. Imposition of accumulated earnings tax

In addition to other taxes imposed by this chapter, there is hereby imposed for each taxable year on the accumulated taxable income (as defined in section 535) of each corporation described in section 532, an accumulated earnings tax equal to 15 percent of the accumulated taxable income.

(Aug. 16, 1954, ch. 736, 68A Stat. 179; Pub. L. 100–647, title I, § 1001(a)(2)(A), Nov. 10, 1988, 102 Stat. 3349; Pub. L. 103–66, title XIII, §§ 13201(b)(1), 13202(b), Aug. 10, 1993, 107 Stat. 459, 461; Pub. L. 107–16, title I, § 101(c)(4), June 7, 2001, 115 Stat. 43; Pub. L. 108–27, title III, § 302(e)(5), May 28, 2003, 117 Stat. 764.)

AMENDMENT OF SECTION

For termination of amendment by section 303 of Pub. L. 108–27, see Effective and Termination Dates of 2003 Amendment note below.

For termination of amendment by section 901 of Pub. L. 107–16, see Effective and Termination Dates of 2001 Amendment note below.

AMENDMENTS

2003—Pub. L. 108–27, §§ 302(e)(5), 303, temporarily substituted ''equal to 15 percent of the accumulated taxable income.'' for ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.'' See Effective and Termination Dates of 2003 Amendment note below.

2001—Pub. L. 107–16, §§ 101(c)(4), 901, temporarily substituted ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.'' for ''equal to 39.6 percent of the accumulated taxable income.'' See Effective and Termination Dates of 2001 Amendment note below.

1993—Pub. L. 103–66, § 13202(b), substituted ''39.6 percent'' for ''36 percent''.

Pub. L. 103–66, § 13201(b)(1), substituted ''36 percent'' for ''28 percent''.

1988—Pub. L. 100–647 amended section generally. Prior to amendment, section read as follows: ''In addition to other taxes imposed by this chapter, there is hereby imposed for each taxable year on the accumulated taxable income (as defined in section 535) of every corporation described in section 532, an accumulated earnings tax equal to the sum of—

''(1) 27½ percent of the accumulated taxable income not in excess of $100,000, plus

''(2) 38½ percent of the accumulated taxable income in excess of $100,000.''

EFFECTIVE AND TERMINATION DATES OF 2003 AMENDMENT

Amendment by Pub. L. 108–27 applicable, except as otherwise provided, to taxable years beginning after Dec. 31, 2002, see section 302(f) of Pub. L. 108–27, set out as a note under section 1 of this title.

Amendment by Pub. L. 108–27 inapplicable to taxable years beginning after Dec. 31, 2010, and the Internal Revenue Code of 1986 to be applied and administered to such years as if such amendment had never been enacted, see section 303 of Pub. L. 108–27, as amended, set out as a note under section 1 of this title.

EFFECTIVE AND TERMINATION DATES OF 2001 AMENDMENT

Amendment by Pub. L. 107–16 applicable to taxable years beginning after Dec. 31, 2000, see section 101(d)(1) of Pub. L. 107–16, set out as a note under section 1 of this title.

Amendment by Pub. L. 107–16 inapplicable to taxable, plan, or limitation years beginning after Dec. 31, 2010, and the Internal Revenue Code of 1986 to be applied and administered to such years as if such amendment had never been enacted, see section 901 of Pub. L. 107–16, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103–66 applicable to taxable years beginning after Dec. 31, 1992, see sections 13201(c) and 13202(c) of Pub. L. 103–66, set out as notes under section 1 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 1001(a)(2)(B) of Pub. L. 100–647 provided that: ''The amendment made by subparagraph (A) [amending