TABLE II—CONTINUED

| *1986 Code section number* | *1939 Code section number* |
|---|---|
| 7653(d) | |
| 7654 | 2483 |
| 7655 | |
| 7701(a)(1) | 1426(f), 1532(i), 1607(k), 1805, 1931(b), 2733(i), 3228(a), 3238(a), 3507(a), 3797(a)(1) |
| 7701(a)(2) | 3797(a)(2) |
| 7701(a)(3) | 3797(a)(3) |
| 7701(a)(4) | 3797(a)(4) |
| 7701(a)(5) | 3797(a)(5) |
| 7701(a)(6) | 3797(a)(6) |
| 7701(a)(7) | 3797(a)(7) |
| 7701(a)(8) | 3797(a)(8) |
| 7701(a)(9) | 3797(a)(9) |
| 7701(a)(10) | 3797(a)(10) |
| 7701(a)(11) | 3797(a)(11) |
| 7701(a)(12) | |
| 7701(a)(13) | 3797(a)(12) |
| 7701(a)(14) | 3797(a)(14) |
| 7701(a)(15) | 3797(a)(15) |
| 7701(a)(16) | 3797(a)(16) |
| 7701(a)(17) | 3797(a)(17) |
| 7701(a)(18) | 3797(a)(18) |
| 7701(a)(19) | 3797(a)(19) |
| 7701(a)(20) | 3797(a)(20) |
| 7701(a)(21) | |
| 7701(a)(22) | |
| 7701(a)(23) | 48(a) |
| 7701(a)(24) | 48(b) |
| 7701(a)(25) | 48(c) |
| 7701(a)(26) | 48(d) |
| 7701(a)(27) | |
| 7701(a)(28) | |
| 7701(b) | 3797(b) |
| 7701(c)(1) | 3797(c) |
| 7701(c)(2) | |
| 7801(a) | Reorg. Plan No. 26 of 1950 |
| 7801(b) | 3930(a), 3931 |
| 7801(c) | 3932 |
| 7802 | 3900 |
| 7803(a) | 3920, 3921, 4000, 4041(a) |
| 7803(b)(1) | 4040 |
| 7803(b)(2) | 3901(b) |
| 7803(c) | 3360(b)(2)(B), 3943, 3992, 4010 |
| 7803(d) | 3975, 3976, 3977, 3978 |
| 7804(a) | 616 R.A. 1951 |
| 7804(b) | 3, P.L. 567 (82d Cong.) |
| 7805(a) | 62, 3791(a) |
| 7805(b) | 3791(b) |
| 7805(c) | 3901(a)(2) |
| 7806(a) | 2 |
| 7806(b) | Ch. 1, Sec. 6, P.L. 1 |
| 7807(a) | |
| 7807(b) | |
| 7808 | 3970 |
| 7809(a) | 2480, 3971(a) |
| 7809(b) | 3971(b) |
| 7809(b)(1) | 3971(b)(1) |
| 7809(b)(2) | 3971(b)(2) |
| 7809(b)(3) | 3971(b)(3) |
| 7851(a) | *See* 26 U.S.C. 3, 4 |
| 7851(b) | *See* 26 U.S.C. 4(b) |
| 7851(c) | *See* 26 U.S.C. 4(c) |
| 7851(d) | *See* 26 U.S.C. 4(d) |
| 7852(a) | 3803 |
| 7852(b) | *See* 26 U.S.C. 4(a), 5, 7 |
| 7852(c) | |
| 7852(d) | 108 R.A. 1941; 109 R.A. 1942; 136 R.A. 1943; 214 R.A. 1950; 615 R.A. 1951; *See* 22(b)(7) |
| 8001 | 5000 |
| 8002 | 5001 |
| 8003 | 5002 |
| 8004 | 5003 |
| 8005 | 5004 |
| 8021 | 5010 |
| 8022 | 5011 |
| 8023 | 5012 |

An Act to revise the internal revenue laws of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

**(a) Citation**

(1) The provisions of this Act set forth under the heading ''Internal Revenue Title'' may be cited as the ''Internal Revenue Code of 1986 [formerly I.R.C. 1954]''.

(2) The Internal Revenue Code enacted on February 10, 1939, as amended, may be cited as the ''Internal Revenue Code of 1939''.

**(b) Publication**

This Act shall be published as volume 68A of the United States Statutes at Large, with a comprehensive table of contents and an appendix; but without an index or marginal references. The date of enactment, bill number, public law number, and chapter number, shall be printed as a headnote.

**(c) Cross reference**

For saving provisions, effective date provisions, and other related provisions, see chapter 80 (sec. 7801 and following) of the Internal Revenue Code of 1986.

**(d) Enactment of Internal Revenue Title into law**

The Internal Revenue Title referred to in subsection (a)(1) is as follows: * * *.

(Aug. 16, 1954, ch. 736, 68A Stat. 3; Oct. 22, 1986, Pub. L. 99–514, § 2, 100 Stat. 2095.)

AMENDMENTS

1986—Subsecs. (a)(1), (c). Pub. L. 99–514 substituted ''Internal Revenue Code of 1986'' for ''Internal Revenue Code of 1954''.

REDESIGNATION OF INTERNAL REVENUE CODE OF 1954; REFERENCES

Pub. L. 99–514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

''(a) REDESIGNATION OF 1954 CODE.—The Internal Revenue Title enacted August 16, 1954, as heretofore, hereby, or hereafter amended, may be cited as the 'Internal Revenue Code of 1986'.

''(b) REFERENCES IN LAWS, ETC.—Except when inappropriate, any reference in any law, Executive order, or other document—

''(1) to the Internal Revenue Code of 1954 shall include a reference to the Internal Revenue Code of 1986, and

''(2) to the Internal Revenue Code of 1986 shall include a reference to the provisions of law formerly known as the Internal Revenue Code of 1954.''

# INTERNAL REVENUE TITLE

Subtitle

A. Income taxes §§ 1–1564.[1]
B. Estate and gift taxes §§ 2001–2663.
C. Employment taxes §§ 3101–3510.
D. Miscellaneous excise taxes §§ 4001–5000.
E. Alcohol, tobacco, and certain other excise taxes §§ 5001–5881.
F. Procedure and administration §§ 6001–7873.
G. The Joint Committee on Taxation §§ 8001–8023.
H. Financing of Presidential election campaigns §§ 9001–9042.
I. Trust Fund Code §§ 9500–9602.
J. Coal industry health benefits §§ 9701–9722.[2]
K. Group health plan requirements §§ 9801–9833.[1]

AMENDMENTS

1997—Pub. L. 105–34, title XV, § 1531(b)(3), Aug. 5, 1997, 111 Stat. 1085, added subtitle K heading ''Group health plan requirements'' and struck out former subtitle K heading ''Group health plan portability, access, and renewability requirements''.

1996—Pub. L. 104–191, title IV, § 401(b), Aug. 21, 1996, 110 Stat. 2082, added subtitle K heading ''Group health plan portability, access, and renewability requirements''.

1982—Pub. L. 97–248, title III, §§ 307(b)(2), 308(a), Sept. 3, 1982, 96 Stat. 590, 591, provided that, applicable to

[1] Section numbers editorially supplied.

[2] Editorially supplied. Subtitle J added by Pub. L. 102–486 without corresponding amendment of title analysis.

payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, subtitle C heading is amended to read ''Employment taxes and collection of income tax at source''. 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.

1981—Pub. L. 97–119, title I, § 103(c)(2), Dec. 29, 1981, 95 Stat. 1638, added subtitle I heading ''Trust Fund Code''.

1976—Pub. L. 94–455, title XIX, § 1907(b)(2), Oct. 4, 1976, 90 Stat. 1836, substituted in subtitle G heading ''The Joint Committee on Taxation'' for ''The Joint Committee on Internal Revenue Taxation''.

1974—Pub. L. 93–443, title IV, § 408(a), Oct. 15, 1974, 88 Stat. 1297, added subtitle H heading ''Financing of Presidential election campaigns''.

TITLE REFERRED TO IN OTHER SECTIONS

This title is referred to in title 2 sections 31a–2, 31a–3, 60c–1, 65c, 632, 651, 691e, 691f, 1610; title 5 sections 5514, 8440; title 10 section 2401; title 11 sections 346, 745; title 12 section 3413; title 15 sections 78c, 78kkk, 80a–3, 80b–3, 631b; title 16 sections 470b, 1855; title 18 section 4043; title 20 sections 1087–1, 1087–2, 1087ee, 1087ss, 1087vv, 1132d–1; title 22 sections 3307, 3968, 4071i, 4071j, 5401; title 25 sections 983f, 1716, 2719; title 29 sections 1002, 1061, 1083, 1301, 1453, 1706, 2231; title 30 section 1473; title 31 sections 1324, 3105, 3106, 3124, 3332, 3701, 3711, 3716, 3718, 3720B, 3729, 3801; title 33 section 2717; title 36 sections 1514, 1614, 1714, 1814, 1914, 2014, 2114, 2214, 2314, 2414, 2514, 2614, 2714, 2814, 2915, 3014, 3114, 3614, 3714, 3815, 3914, 4015, 4114, 4814, 5014, 5114, 5613, 5813; title 38 sections 7361, 7363; title 40 section 270a; title 42 sections 401, 405, 408, 416, 604, 1395b–5, 1395y, 1471, 4636, 5055, 8217, 10702; title 45 sections 231m, 1347; title 46 App. section 1177; title 49 section 326; title 50 section 2154.

TABLE OF CONTENTS

*This Table of Contents is inserted for convenience of users and was not enacted as part of the Internal Revenue Code of 1986.*

## Subtitle A—Income Taxes


| Chapter | | Sec. |
|---|---|---|
| 1. | Normal taxes and surtaxes | 1 |
| 2. | Tax on self-employment income | 1401 |
| 3. | Withholding of tax on nonresident aliens and foreign corporations | 1441 |
| [4, 5. | Repealed.] | |
| 6. | Consolidated returns | 1501 |


## Subtitle B—Estate and Gift Taxes


| | | |
|---|---|---|
| 11. | Estate tax | 2001 |
| 12. | Gift tax | 2501 |
| 13. | Tax on generation skipping transfers | 2601 |
| 14. | Special valuation rules | 2701 |


## Subtitle C—Employment Taxes


| | | |
|---|---|---|
| 21. | Federal insurance contributions act | 3101 |
| 22. | Railroad retirement tax act | 3201 |
| 23. | Federal unemployment tax act | 3301 |
| 23A. | Railroad unemployment repayment tax | 3321 |
| 24. | Collection of income tax at source on wages | 3401 |
| 25. | General provisions relating to employment taxes | 3501 |


## Subtitle D—Miscellaneous Excise Taxes


| | | |
|---|---|---|
| 31. | Retail excise taxes | 4001 |
| 32. | Manufacturers excise taxes | 4061 |
| 33. | Facilities and services | 4231 |
| 34. | Policies issued by foreign insurers | 4301 |
| 35. | Taxes on wagering | 4401 |
| 36. | Certain other excise taxes | 4451 |
| [37. | Repealed.] | |
| 38. | Environmental taxes | 4611 |
| 39. | Registration-required obligations | 4701 |
| 40. | General provisions relating to occupational taxes | 4901 |
| 41. | Public charities | 4911 |
| 42. | Private foundations; and certain other tax-exempt organizations | 4940 |
| 43. | Qualified pension, etc., plans | 4971 |
| 44. | Qualified investment entities | 4981 |
| [45. | Repealed.] | |
| 46. | Golden parachute payments | 4999 |
| 47. | Certain group health plans | 5000 |


## Subtitle E—Alcohol, Tobacco, and Certain Other Excise Taxes


| | | |
|---|---|---|
| 51. | Distilled spirits, wines, and beer | 5001 |
| 52. | Cigars, cigarettes, smokeless tobacco, pipe tobacco, and cigarette papers and tubes | 5701 |
| 53. | Machine guns, destructive devices, and certain other firearms | 5801 |
| 54. | Greenmail | 5881 |


## Subtitle F—Procedure and Administration


| | | |
|---|---|---|
| 61. | Information and returns | 6001 |
| 62. | Time and place for paying tax | 6151 |
| 63. | Assessment | 6201 |
| 64. | Collection | 6301 |
| 65. | Abatements, credits, and refunds | 6401 |
| 66. | Limitations | 6501 |
| 67. | Interest | 6601 |
| 68. | Additions to the tax, additional amounts, and assessable penalties | 6651 |
| 69. | General provisions relating to stamps | 6801 |
| 70. | Jeopardy, receiverships, etc. | 6851 |
| 71. | Transferees and fiduciaries | 6901 |
| 72. | Licensing and registration | 7001 |
| 73. | Bonds | 7101 |
| 74. | Closing agreements and compromises | 7121 |
| 75. | Crimes, other offenses, and forfeitures | 7201 |
| 76. | Judicial proceedings | 7401 |
| 77. | Miscellaneous provisions | 7501 |
| 78. | Discovery of liability and enforcement of title | 7601 |
| 79. | Definitions | 7701 |
| 80. | General Rules | 7801 |


## Subtitle G—The Joint Committee on Taxation


| | | |
|---|---|---|
| 91. | Organization and membership of the Joint Committee | 8001 |
| 92. | Powers and duties of the Joint Committee | 8021 |


## Subtitle H—Financing of Presidential Election Campaigns


| | | |
|---|---|---|
| 95. | Presidential election campaign fund | 9001 |
| 96. | Presidential primary matching payment account | 9031 |


## Subtitle I—Trust Fund Code


| | | |
|---|---|---|
| 98. | Trust Fund Code | 9501 |

## Subtitle J—Coal Industry Health Benefits

99. Coal industry health benefits ..... 9701

## Subtitle K—Group Health Plan Portability, Access, and Renewability Requirements

100. Group health plan portability, access, and renewability requirements ..... 9801

## Subtitle A—Income Taxes

Chapter
1. Normal taxes and surtaxes.
2. Tax on self-employment income.
3. Withholding of tax on nonresident aliens and foreign corporations.
[4, 5. Repealed.]
6. Consolidated returns.

AMENDMENTS

1997—Pub. L. 105–34, title XI, §1131(c)(4), Aug. 5, 1997, 111 Stat. 980, struck out item for chapter 5 ''Tax on transfers to avoid income tax''.

1990—Pub. L. 101–508, title XI, §11801(b)(11), Nov. 5, 1990, 104 Stat. 1388–522, struck out item for chapter 4 ''Rules applicable to recovery of excessive profits on government contracts''.

1984—Pub. L. 98–369, div. A, title IV, §474(r)(29)(D), July 18, 1984, 98 Stat. 844, struck out ''and tax-free covenant bonds'' at end of item for chapter 3.

SUBTITLE REFERRED TO IN OTHER SECTIONS

This subtitle is referred to in sections 810, 2056A, 2107, 3402, 3502, 3507, 3508, 4911, 4980, 4999, 5041, 5881, 6011, 6012, 6013, 6038A, 6075, 6111, 6164, 6201, 6211, 6212, 6213, 6214, 6229, 6231, 6234, 6242, 6315, 6401, 6404, 6420, 6421, 6427, 6501, 6601, 6621, 6672, 6682, 6694, 6695, 6696, 6702, 6871, 6901, 6905, 7001, 7463, 7701, 7851, 7852, 7872, 7873 of this title; title 22 sections 1627, 5510; title 25 sections 1729, 1754; title 31 section 3105; title 42 sections 411, 11371; title 45 section 231m; title 48 section 1421i; title 50 App. section 2017e.

### CHAPTER 1—NORMAL TAXES AND SURTAXES

| Subchapter | | Sec.[1] |
|---|---|---|
| A. | Determination of tax liability | 1 |
| B. | Computation of taxable income | 61 |
| C. | Corporate distributions and adjustments | 301 |
| D. | Deferred compensation, etc. | 401 |
| E. | Accounting periods and methods of accounting | 441 |
| F. | Exempt organizations | 501 |
| G. | Corporations used to avoid income tax on shareholders | 531 |
| H. | Banking institutions | 581 |
| I. | Natural resources | 611 |
| J. | Estates, trusts, beneficiaries, and decedents | 641 |
| K. | Partners and partnerships | 701 |
| L. | Insurance companies | 801 |
| M. | Regulated investment companies and real estate investment trusts | 851 |
| N. | Tax based on income from sources within or without the United States | 861 |
| O. | Gain or loss on disposition of property | 1001 |
| P. | Capital gains and losses | 1201 |
| Q. | Readjustment of tax between years and special limitations | 1301 |
| [R. | Repealed.] | |
| S. | Tax treatment of S corporations and their shareholders | 1361 |
| T. | Cooperatives and their patrons | 1381 |
| U. | Designation and treatment of empowerment zones, enterprise communities, and rural development investment areas | 1391 |
| V. | Title 11 cases | 1398 |
| W. | District of Columbia Enterprise Zone | 1400 |

[1] Section numbers editorially supplied.

AMENDMENTS

1997—Pub. L. 105–34, title VII, §701(c), Aug. 5, 1997, 111 Stat. 869, added subchapter W.

1993—Pub. L. 103–66, title XIII, §13301(b), Aug. 10, 1993, 107 Stat. 555, added subchapter U.

1986—Pub. L. 99–514, title XIII, §1303(c)(1), Oct. 22, 1986, 100 Stat. 2658, struck out subchapter U ''General stock ownership plans''.

1982—Pub. L. 97–354, §5(b), Oct. 19, 1982, 96 Stat. 1697, substituted in subchapter S ''Tax treatment of S corporations and their shareholders'' for ''Election of certain small business corporations as to taxable status''.

1980—Pub. L. 96–589, §3(a)(2), Dec. 24, 1980, 94 Stat. 3400, added subchapter V.

1978—Pub. L. 95–600, title VI, §601(c)(1), Nov. 6, 1978, 92 Stat. 2897, added subchapter U.

1966—Pub. L. 89–389, §4(b)(2), Apr. 14, 1966, 80 Stat. 116, struck out subchapter R effective January 1, 1969.

1962—Pub. L. 87–834, §17(b)(4), Oct. 16, 1962, 76 Stat. 1051, added subchapter T.

1960—Pub. L. 86–779, §10(c), Sept. 14, 1960, 74 Stat. 1009, added to subchapter M heading ''and real estate investment trusts''.

1958—Pub. L. 85–866, title I, §64(d)(1), Sept. 2, 1958, 72 Stat. 1656, added subchapter S.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 408, 1501, 3402, 3406, 3510, 4977, 4980, 4990, 4994, 6012, 6013, 6033, 6039C, 6039E, 6039F, 6048, 6050E, 6096, 6103, 6161, 6166, 6166A, 6167, 6201, 6211, 6404, 6242, 6246, 6651, 6654, 6655, 6662, 6664, 6683, 6713, 7216, 7518, 7611, 7654, 7701, 7704, 9510 of this title; title 2 sections 632, 633, 642; title 7 sections 1926, 1929a; title 12 section 3018; title 22 section 277d–23; title 25 sections 941n, 1486; title 30 section 1141; title 42 sections 291j–7, 300e–7, 300q–2, 409, 411, 1382, 1440, 5308, 5919, 8833; title 46 App. sections 1177, 1279c; title 48 section 1574b.

### Subchapter A—Determination of Tax Liability

Part
I. Tax on individuals.
II. Tax on corporations.
III. Changes in rates during a taxable year.
IV. Credits against tax.
[V. Repealed.]
VI. Minimum tax for tax preferences.[1]
VII. Environmental tax.
[VIII. Repealed.]

AMENDMENTS

1989—Pub. L. 101–234, title I, §102(a), Dec. 13, 1989, 103 Stat. 1980, repealed Pub. L. 100–360, §111, and provided that the provisions of law amended by such section are restored or revived as if such section had not been enacted, see 1988 Amendment note below.

1988—Pub. L. 100–360, title I, §111(c), July 1, 1988, 102 Stat. 697, added part VIII ''Supplemental medicare premium''.

1986—Pub. L. 99–499, title V, §516(b)(5), Oct. 17, 1986, 100 Stat. 1771, added part VII.

1976—Pub. L. 94–455, title XIX, §1901(b)(2), Oct. 4, 1976, 90 Stat. 1792, struck out part V ''Tax surcharge''.

1969—Pub. L. 91–172, title III, §301(b)(1), Dec. 30, 1969, 83 Stat. 585, added part VI.

1968—Pub. L. 90–364, title I, §102(d), June 28, 1968, 82 Stat. 259, added part V.

### PART I—TAX ON INDIVIDUALS

Sec.
1. Tax imposed.

[1] Part heading amended by Pub. L. 99–514 without corresponding amendment of analysis.