

Revenue Code of 1986 and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office, and

“(C) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual.

“(2) REQUEST FOR ASSISTANCE.—The guidance issued under paragraph (1) shall specify that any assistance requested under paragraph (1)(C) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under paragraph (1)(A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.”

REPORT BY SECRETARY

Pub. L. 109-432, div. A, title IV, §406(c), Dec. 20, 2006, 120 Stat. 2960, provided that: “The Secretary of the Treasury shall each year conduct a study and report to Congress on the use of section 7623 of the Internal Revenue Code of 1986, including—

“(1) an analysis of the use of such section during the preceding year and the results of such use, and

“(2) any legislative or administrative recommendations regarding the provisions of such section and its application.”

STUDY OF PAYMENTS MADE FOR DETECTION OF UNDERPAYMENTS AND FRAUD

Pub. L. 105-206, title III, §3804, July 22, 1998, 112 Stat. 783, provided that: “Not later than 1 year after the date of the enactment of this Act [July 22, 1998], the Secretary of the Treasury shall conduct a study and report to Congress on the use of section 7623 of the Internal Revenue Code of 1986 including—

“(1) an analysis of the present use of such section and the results of such use; and

“(2) any legislative or administrative recommendations regarding the provisions of such section and its application.”

ANNUAL REPORT TO CONGRESS ON PAYMENTS MADE UNDER THIS SECTION AND RESULTANT COLLECTIONS

Pub. L. 104-168, title XII, §1209(d), July 30, 1996, 110 Stat. 1474, provided that: “The Secretary of the Treasury or his delegate shall submit an annual report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the payments under section 7623 of the Internal Revenue Code of 1986 during the year and on the amounts collected for which such payments were made.”

§ 7624. Reimbursement to State and local law enforcement agencies

(a) Authorization of reimbursement

Whenever a State or local law enforcement agency provides information to the Internal Revenue Service that substantially contributes to the recovery of Federal taxes imposed with respect to illegal drug-related activities (or money laundering in connection with such activities), such agency may be reimbursed by the Internal Revenue Service for costs incurred in the investigation (including but not limited to reasonable expenses, per diem, salary, and overtime) not to exceed 10 percent of the sum recovered.

(b) Records; 10 percent limitation

The Internal Revenue Service shall maintain records of the receipt of information from a contributing agency and shall notify the agency when monies have been recovered as the result of such information. Following such notifica-

tion, the agency shall submit a statement detailing the investigative costs it incurred. Where more than 1 State or local agency has given information that substantially contributes to the recovery of Federal taxes, the Internal Revenue Service shall equitably allocate investigative costs among such agencies not to exceed an aggregate amount of 10 percent of the taxes recovered.

(c) No reimbursement where duplicative

No State or local agency may receive reimbursement under this section if reimbursement has been received by such agency under a Federal or State forfeiture program or under State revenue laws.

(Added Pub. L. 100-690, title VII, §7602(a), Nov. 18, 1988, 102 Stat. 4507.)

EFFECTIVE DATE

Section applicable to information first provided more than 90 days after Nov. 18, 1988, see section 7602(e) of Pub. L. 100-690, set out as an Effective Date of 1988 Amendment note under section 6103 of this title.

REGULATIONS

Pub. L. 100-690, title VII, §7602(g), Nov. 18, 1988, 102 Stat. 4508, provided that: “The Secretary of the Treasury shall, not later than 90 days after the date of enactment of this Act [Nov. 18, 1988], prescribe such rules and regulations as shall be necessary and proper to carry out the provisions of this section [enacting section 7624 of this title, amending sections 6103 and 7809 of this title, and enacting provisions set out as notes under sections 6103 and 7809 of this title], including regulations relating to the definition of information which substantially contributes to the recovery of Federal taxes and the substantiation of expenses required in order to receive a reimbursement.”

[Subchapter C—Repealed]

[§ 7641. Repealed. Pub. L. 94-455, title XIX, § 1906(a)(54), Oct. 4, 1976, 90 Stat. 1832]

Section, acts Aug. 16, 1954, ch. 736, 68A Stat. 905; Oct. 27, 1970, Pub. L. 91-513, title III, §1102(i), 84 Stat. 1293; Oct. 26, 1974, Pub. L. 93-490, §3(b)(8), 88 Stat. 1467, related to supervision of operations of every manufacturer of oleomargarine, process or renovated butter or adulterated butter, or white phosphorous matches by the officers or employees of the Treasury Department.

EFFECTIVE DATE OF REPEAL

Repeal effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1906(d)(1) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 6013 of this title.

Subchapter D—Possessions

Sec.	
7651.	Administration and collection of taxes in possessions.
7652.	Shipments to the United States.
7653.	Shipments from the United States.
7654.	Coordination of United States and certain possession individual income taxes.
7655.	Cross references.

AMENDMENTS

1986—Pub. L. 99-514, title XII, §1276(b), Oct. 22, 1986, 100 Stat. 2600, substituted “certain possession” for “Guam” in item 7654.

1972—Pub. L. 92-606, §1(f)(6), Oct. 31, 1972, 86 Stat. 1497, substituted “Coordination of United States and Guam individual income taxes” for “Payment to Guam and

American Samoa of proceeds of tax on coconut and palm oil” in item 7654.

§ 7651. Administration and collection of taxes in possessions

Except as otherwise provided in this subchapter, and except as otherwise provided in section 28(a) of the Revised Organic Act of the Virgin Islands and section 30 of the Organic Act of Guam (relating to the covering of the proceeds of certain taxes into the treasuries of the Virgin Islands and Guam, respectively)—

(1) Applicability of administrative provisions

All provisions of the laws of the United States applicable to the assessment and collection of any tax imposed by this title or of any other liability arising under this title (including penalties) shall, in respect of such tax or liability, extend to and be applicable in any possession of the United States in the same manner and to the same extent as if such possession were a State, and as if the term “United States” when used in a geographical sense included such possession.

(2) Tax imposed in possession

In the case of any tax which is imposed by this title in any possession of the United States—

(A) Internal revenue collections

Such tax shall be collected under the direction of the Secretary, and shall be paid into the Treasury of the United States as internal revenue collections; and

(B) Applicable laws

All provisions of the laws of the United States applicable to the administration, collection, and enforcement of such tax (including penalties) shall, in respect of such tax, extend to and be applicable in such possession of the United States in the same manner and to the same extent as if such possession were a State, and as if the term “United States” when used in a geographical sense included such possession.

(3) Other laws relating to possessions

This section shall apply notwithstanding any other provision of law relating to any possession of the United States.

(4) Virgin Islands

(A) For purposes of this section, the reference in section 28(a) of the Revised Organic Act of the Virgin Islands to “any tax specified in section 3811 of the Internal Revenue Code” shall be deemed to refer to any tax imposed by chapter 2 or by chapter 21.

(B) For purposes of this title, section 28(a) of the Revised Organic Act of the Virgin Islands shall be effective as if such section 28(a) had been enacted before the enactment of this title and such section 28(a) shall have no effect on the amount of income tax liability required to be paid by any person to the United States.

(Aug. 16, 1954, ch. 736, 68A Stat. 906; Pub. L. 91-513, title III, §1102(j), Oct. 27, 1970, 84 Stat. 1293; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-369, div. A,

title I, §130(c), title VIII, §801(d)(9), July 18, 1984, 98 Stat. 661, 997; Pub. L. 99-514, title XII, §1275(b), Oct. 22, 1986, 100 Stat. 2598; Pub. L. 110-172, §11(a)(34)(B), Dec. 29, 2007, 121 Stat. 2487.)

REFERENCES IN TEXT

Section 28(a) of the Revised Organic Act of the Virgin Islands, referred to in introductory provisions and par. (4), is classified to section 1642 of Title 48, Territories and Insular Possessions.

Section 30 of the Organic Act of Guam, referred to in introductory provisions, is classified to section 1421h of Title 48.

AMENDMENTS

2007—Pars. (4), (5). Pub. L. 110-172 redesignated par. (5) as (4) and struck out heading and text of former par. (4). Text read as follows: “For purposes of this section, the term ‘possession of the United States’ includes the Canal Zone.”

1986—Par. (5)(B). Pub. L. 99-514 amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “For purposes of this title (other than section 881(b)(1) or subpart C of part III of subchapter N of chapter 1), section 28(a) of the Revised Organic Act of the Virgin Islands shall be effective as if such section had been enacted subsequent to the enactment of this title.”

1984—Par. (5)(B). Pub. L. 98-369, §801(d)(9), inserted “or subpart C of part III of subchapter N of chapter 1”. Pub. L. 98-369, §130(c), inserted “(other than section 881(b)(1))”.

1976—Par. (2)(A). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1970—Pub. L. 91-513 struck out reference to exceptions provided for in sections 4705(b), 4735, and 4762 (relating to taxes on narcotic drugs and marihuana) in provisions preceding par. (1).

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 130(c) of Pub. L. 98-369 applicable to payments made after Mar. 1, 1984, in taxable years ending after such date, see section 130(d) of Pub. L. 98-369, set out as a note under section 881 of this title.

Amendment by section 801(d)(9) 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 1970 AMENDMENT

Amendment by Pub. L. 91-513 effective on first day of seventh calendar month that begins after Oct. 26, 1970, see section 1105(a) of Pub. L. 91-513, set out as an Effective Date note under section 951 of Title 21, Food and Drugs.

SAVINGS PROVISION

Prosecutions for any violation of law occurring, and civil seizures or forfeitures and injunctive proceedings commenced, prior to the effective date of amendment of this section by section 1102 of Pub. L. 91-513 not to be affected or abated by reason thereof, see section 1103 of Pub. L. 91-513, set out as a note under sections 171 to 174 of Title 21, Food and Drugs.

COMPENSATION TO GUAM AND VIRGIN ISLANDS FOR UNEXPECTED REVENUE LOSSES OCCASIONED BY TAX REFORMATION ACT OF 1975 AND TAX REFORM ACT OF 1976

Pub. L. 95-134, title IV, §402, Oct. 15, 1977, 91 Stat. 1163, provided that: “In order to compensate the terri-

tories of Guam and the Virgin Islands for unexpected revenue losses occasioned by the Tax Reduction Act of 1975 [Pub. L. 94-12, Mar. 29, 1975, 89 Stat. 26, see Tables] and the Tax Reform Act of 1976 [Pub. L. 94-455, Oct. 4, 1976, 90 Stat. 1525, see Tables] there is hereby authorized to be appropriated to the Secretary for grants to the government of Guam not to exceed \$15,000,000 and after October 1, 1977, for grants to the government of the Virgin Islands not to exceed \$14,000,000, such sums being in addition to those previously authorized for such purposes.”

PAYMENTS TO GOVERNMENT OF AMERICAN SAMOA,
GUAM, AND THE VIRGIN ISLANDS

Pub. L. 95-30, title IV, § 407, May 23, 1977, 91 Stat. 156, provided that:

“(a) The Secretary of the Treasury is authorized to make separate payments to the government of American Samoa, the government of Guam, and the government of the Virgin Islands. The payment to the government of a particular possession shall be in an amount equal to the loss to that possession with respect to tax returns for the first taxable year beginning after December 31, 1976, by reason of sections 101 and 102 of this Act [amending sections 1, 3, 21, 42, 57, 63, 143, 161, 172, 211, 402, 441, 443, 511, 584, 613A, 641, 642, 667, 703, 861, 862, 873, 904, 911, 931, 1034, 1211, 1302, 6014, 6212, 6504, and 6654 of this title and repealing sections 36, 141, 142, 144 and 145 of this title]. Such amount shall be determined by the Secretary of the Treasury upon certification to the Secretary by the United States Government Comptrollers for Guam and the Virgin Islands.

“(b) There are hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.”

§ 7652. Shipments to the United States

(a) Puerto Rico

(1) Rate of tax

Except as provided in section 5314, articles of merchandise of Puerto Rican manufacture coming into the United States and withdrawn for consumption or sale shall be subject to a tax equal to the internal revenue tax imposed in the United States upon the like articles of merchandise of domestic manufacture.

(2) Payment of tax

The Secretary shall by regulations prescribe the mode and time for payment and collection of the tax described in paragraph (1), including any discretionary method described in section 6302(b) and (c). Such regulations shall authorize the payment of such tax before shipment from Puerto Rico, and the provisions of section 7651(2)(B) shall be applicable to the payment and collection of such tax in Puerto Rico.

(3) Deposit of internal revenue collections

All taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States (less the estimated amount necessary for payment of refunds and drawbacks), or consumed in the island, shall be covered into the treasury of Puerto Rico.

(b) Virgin Islands

(1) Taxes imposed in the United States

Except as provided in section 5314, there shall be imposed in the United States, upon articles coming into the United States from

the Virgin Islands, a tax equal to the internal revenue tax imposed in the United States upon like articles of domestic manufacture.

(2) Exemption from tax imposed in the Virgin Islands

Such articles shipped from such islands to the United States shall be exempt from the payment of any tax imposed by the internal revenue laws of such islands.

(3) Disposition of internal revenue collections

The Secretary shall determine the amount of all taxes imposed by, and collected under the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

(A) The payment of an estimated amount shall be made to the government of the Virgin Islands before the commencement of each fiscal year as set forth in section 4(c)(2) of the Act entitled “An Act to authorize appropriations for certain insular areas of the United States, and for other purposes”, approved August 18, 1978 (48 U.S.C. 1645), as in effect on the date of the enactment of the Trade and Development Act of 2000. The payment so made shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine.

(B) Any amounts remaining shall be deposited in the Treasury of the United States as miscellaneous receipts.

If at the end of any fiscal year the total of the Federal contribution made under subparagraph (A) with respect to the four calendar quarters immediately preceding the beginning of that fiscal year has not been obligated or expended for an approved purpose, the balance shall continue available for expenditure during any succeeding fiscal year, but only for emergency relief purposes and essential public projects. The aggregate amount of moneys available for expenditure for emergency relief purposes and essential public projects only shall not exceed the sum of \$5,000,000 at the end of any fiscal year. Any unobligated or unexpended balance of the Federal contribution remaining at the end of a fiscal year which would cause the moneys available for emergency relief purposes and essential public projects only to exceed the sum of \$5,000,000 shall thereupon be transferred and paid over to the Treasury of the United States as miscellaneous receipts.

(c) Articles containing distilled spirits

For purposes of subsections (a)(3) and (b)(3), any article containing distilled spirits shall in no event be treated as produced in Puerto Rico or the Virgin Islands unless at least 92 percent of the alcoholic content in such article is attributable to rum.

(d) Articles other than articles containing distilled spirits

For purposes of subsections (a)(3) and (b)(3)—

(1) Value added requirement for Puerto Rico

Any article, other than an article containing distilled spirits, shall in no event be treated as produced in Puerto Rico unless the sum of—

(A) the cost or value of the materials produced in Puerto Rico, plus

(B) the direct costs of processing operations performed in Puerto Rico,

equals or exceeds 50 percent of the value of such article as of the time it is brought into the United States.

(2) Prohibition of Federal excise tax subsidies**(A) In general**

No amount shall be transferred under subsection (a)(3) or (b)(3) in respect of taxes imposed on any article, other than an article containing distilled spirits, if the Secretary determines that a Federal excise tax subsidy was provided by Puerto Rico or the Virgin Islands (as the case may be) with respect to such article.

(B) Federal excise tax subsidy

For purposes of this paragraph, the term “Federal excise tax subsidy” means any subsidy—

(i) of a kind different from, or

(ii) in an amount per value or volume of production greater than,

the subsidy which Puerto Rico or the Virgin Islands offers generally to industries producing articles not subject to Federal excise taxes.

(3) Direct costs of processing operations

For purposes of this subsection, the term “direct cost of processing operations” has the same meaning as when used in section 213 of the Caribbean Basin Economic Recovery Act.

(e) Shipments of rum to the United States**(1) Excise taxes on rum covered into treasuries of Puerto Rico and Virgin Islands**

All taxes collected under section 5001(a)(1) on rum imported into the United States (less the estimated amount necessary for payment of refunds and drawbacks) shall be covered into the treasuries of Puerto Rico and the Virgin Islands.

(2) Secretary prescribes formula

The Secretary shall, from time to time, prescribe by regulation a formula for the division of such tax collections between Puerto Rico and the Virgin Islands and the timing and methods for transferring such tax collections.

(3) Rum defined

For purposes of this subsection, the term “rum” means any article classified under subheading 2208.40.00 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202).

(4) Coordination with subsections (a) and (b)

Paragraph (1) shall not apply with respect to any rum subject to tax under subsection (a) or (b).

(f) Limitation on cover over of tax on distilled spirits

For purposes of this section, with respect to taxes imposed under section 5001 or this section

on distilled spirits, the amount covered into the treasuries of Puerto Rico and the Virgin Islands shall not exceed the lesser of the rate of—

(1) \$10.50 (\$13.25 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2017), or

(2) the tax imposed under section 5001(a)(1), on each proof gallon.

(g) Drawback for medicinal alcohol, etc.

In the case of medicines, medicinal preparations, food products, flavors, flavoring extracts, or perfume containing distilled spirits, which are unfit for beverage purposes and which are brought into the United States from Puerto Rico or the Virgin Islands—

(1) subpart B of part II of subchapter A of chapter 51 shall be applied as if—

(A) the use and tax determination described in section 5111 had occurred in the United States by a United States person at the time the article is brought into the United States, and

(B) the rate of tax were the rate applicable under subsection (f) of this section, and

(2) no amount shall be covered into the treasuries of Puerto Rico or the Virgin Islands.

(h) Manner of cover over of tax must be derived from this title

No amount shall be covered into the treasury of Puerto Rico or the Virgin Islands with respect to taxes for which cover over is provided under this section unless made in the manner specified in this section without regard to—

(1) any provision of law which is not contained in this title or in a revenue Act; and

(2) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

(Aug. 16, 1954, ch. 736, 68A Stat. 907; Pub. L. 85–859, title II, §204(17), (18), Sept. 2, 1958, 72 Stat. 1430; Pub. L. 89–44, title VIII, §808(b)(3), June 21, 1965, 79 Stat. 164; Pub. L. 94–202, §10(a), Jan. 2, 1976, 89 Stat. 1141; Pub. L. 94–455, title XIX, §1906(a)(55), (b) (13)(A), Oct. 4, 1976, 90 Stat. 1832, 1834; Pub. L. 98–67, title II, §221(a), Aug. 5, 1983, 97 Stat. 395; Pub. L. 98–213, §5(c), Dec. 8, 1983, 97 Stat. 1460; Pub. L. 98–369, div. B, title VI, §§2681(a), 2682(a), July 18, 1984, 98 Stat. 1172, 1174; Pub. L. 99–514, title XVIII, §1879(i)(1), Oct. 22, 1986, 100 Stat. 2907; Pub. L. 100–418, title I, §1214(p)(1), Aug. 23, 1988, 102 Stat. 1159; Pub. L. 103–66, title XIII, §13227(e), Aug. 10, 1993, 107 Stat. 494; Pub. L. 103–465, title I, §136(b), Dec. 8, 1994, 108 Stat. 4841; Pub. L. 106–170, title V, §512(a), Dec. 17, 1999, 113 Stat. 1924; Pub. L. 106–200, title VI, §602(b), (c), May 18, 2000, 114 Stat. 305, 306; Pub. L. 107–147, title VI, §609(a), Mar. 9, 2002, 116 Stat. 60; Pub. L. 108–311, title III, §305(a), Oct. 4, 2004, 118 Stat. 1179; Pub. L. 109–59, title XI, §11125(b)(22), Aug. 10, 2005, 119 Stat. 1957; Pub. L. 109–432, div. A, title I, §114(a), Dec. 20, 2006, 120 Stat. 2940; Pub. L. 110–343, div. C, title III, §308(a), Oct. 3, 2008, 122 Stat. 3869; Pub. L. 111–312, title VII, §755(a), Dec. 17, 2010, 124 Stat. 3322; Pub. L. 112–240, title III, §329(a), Jan. 2, 2013, 126 Stat. 2335; Pub. L. 113–295, div. A, title I, §140(a), Dec. 19, 2014, 128 Stat. 4020; Pub. L.

114-113, div. Q, title I, §172(a), Dec. 18, 2015, 129 Stat. 3071.)

REFERENCES IN TEXT

The date of the enactment of the Trade and Development Act of 2000, referred to in subsec. (b)(3)(A), is the date of enactment of Pub. L. 106-200, which was approved May 18, 2000.

Section 213 of the Caribbean Basin Economic Recovery Act, referred to in subsec. (d)(3), is classified to section 2703 of Title 19, Customs Duties.

The Harmonized Tariff Schedule of the United States (19 U.S.C. 1202), referred to in subsec. (e)(3), is not set out in the Code. See Publication of Harmonized Tariff Schedule note set out under section 1202 of Title 19.

AMENDMENTS

2015—Subsec. (f)(1). Pub. L. 114-113 substituted “January 1, 2017” for “January 1, 2015”.

2014—Subsec. (f)(1). Pub. L. 113-295 substituted “January 1, 2015” for “January 1, 2014”.

2013—Subsec. (f)(1). Pub. L. 112-240 substituted “January 1, 2014” for “January 1, 2012”.

2010—Subsec. (f)(1). Pub. L. 111-312 substituted “January 1, 2012” for “January 1, 2010”.

2008—Subsec. (f)(1). Pub. L. 110-343 substituted “January 1, 2010” for “January 1, 2008”.

2006—Subsec. (f)(1). Pub. L. 109-432 substituted “2008” for “2006”.

2005—Subsec. (g)(1). Pub. L. 109-59, §11125(b)(22)(A), substituted “subpart B” for “subpart F” in introductory provisions.

Subsec. (g)(1)(A). Pub. L. 109-59, §11125(b)(22)(B), substituted “section 5111” for “section 5131(a)”.

2004—Subsec. (f)(1). Pub. L. 108-311 substituted “January 1, 2006” for “January 1, 2004”.

2002—Subsec. (f)(1). Pub. L. 107-147 substituted “January 1, 2004” for “January 1, 2002”.

2000—Subsec. (b)(3). Pub. L. 106-200, §602(b), amended generally par. (3) heading and text of par. (3) introductory provisions and subpar. (A). Prior to amendment, text of par. (3) introductory provisions and subpar. (A) read as follows: “Beginning with the calendar quarter ending September 30, 1975, and quarterly thereafter, the Secretary shall determine the amount of all taxes imposed by, and collected during the quarter under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

“(A) There shall be transferred and paid over, as soon as practicable after the close of the quarter, to the Government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the Government of the Virgin Islands during the quarter, as certified by the Government Comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine.”

Subsec. (h). Pub. L. 106-200, §602(c), added subsec. (h). 1999—Subsec. (f)(1). Pub. L. 106-170 amended par. (1) generally. Prior to amendment, par. (1) read as follows: “\$10.50 (\$11.30 in the case of distilled spirits brought into the United States during the 5-year period beginning on October 1, 1993), or.”

1994—Subsec. (g). Pub. L. 103-465 substituted “flavoring extracts, or perfume” for “or flavoring extracts” in introductory provisions.

1993—Subsec. (f)(1). Pub. L. 103-66 amended par. (1) generally, substituting present provisions for “\$10.50, or”.

1988—Subsec. (e)(3). Pub. L. 100-418 substituted “subheading 2208.40.00 of the Harmonized Tariff Schedule of the United States” for “item 169.13 or 169.14 of the Tariff Schedules of the United States”.

1986—Subsec. (g). Pub. L. 99-514 added subsec. (g).

1984—Subsecs. (c)–(e). Pub. L. 98-369, §2681(a), added subsecs. (c) and (d) and redesignated former subsec. (c) as (e).

Subsec. (f). Pub. L. 98-369, §2682(a), added subsec. (f). 1983—Subsec. (b)(3). Pub. L. 98-213, §5(c), amended language of Pub. L. 94-455, §1906(a)(55). See 1976 Amendment note below.

Subsec. (c). Pub. L. 98-67 added subsec. (c).

1976—Subsec. (a)(2). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (b)(3). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary” in provisions following subpar. (B).

Pub. L. 94-455, §1906(a)(55)(B), as amended by Pub. L. 98-213, §5(c)(1), substituted “emergency relief purposes and essential public projects” for “emergency relief purposes and essential public projects, with the prior approval of the President or his designated representative” in provisions following subpar. (B). Prior to amendment by Pub. L. 98-213, the latter phrase had been substituted for “approved emergency relief purposes and essential public projects as provided in subparagraph (B)”.

Pub. L. 94-455, §1906(a)(55)(C), struck out “including payments under subparagraph (B)” after “public projects only” in provisions following subpar. (B).

Subsec. (b)(3)(A). Pub. L. 94-455, §1906(a)(55)(D), as added by Pub. L. 98-213, §5(c)(2), struck out proviso after “determine” requiring approval of the President or his designated representative before such moneys may be obligated or expended.

Subsec. (b)(3)(B), (C). Pub. L. 94-455, §1906(a)(55)(A), redesignated subpar. (C) as (B). Former subpar. (B) relating to disposition of internal revenue collections in Virgin Islands for fiscal years ending June 30, 1955 and 1956 was struck out.

Pub. L. 94-202 substituted “calendar quarter ending September 30, 1975, and quarterly” for “fiscal year ending June 30, 1954, and annually” and “quarter” for “fiscal year” in provisions preceding subpar. (A), substituted “paid over, as soon as practicable after the close of the quarter,” for “paid over” and “quarter” for “fiscal year” in subpar. (A), and substituted “with respect to the four calendar quarters immediately preceding the beginning” for “at the beginning” in provisions following subpar. (C).

1965—Subsec. (a)(3). Pub. L. 89-44 inserted “(less the estimated amount necessary for payment of refunds and drawbacks)” after “transported to the United States”.

1958—Subsec. (a)(1). Pub. L. 85-859, §204(17), substituted “section 5314” for “section 5318”.

Subsec. (b)(1). Pub. L. 85-859, §204(18), substituted “section 5314” for “section 5318”.

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §172(b), Dec. 18, 2015, 129 Stat. 3071, provided that: “The amendment made by this section [amending this section] shall apply to distilled spirits brought into the United States after December 31, 2014.”

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title I, §140(b), Dec. 19, 2014, 128 Stat. 4020, provided that: “The amendment made by this section [amending this section] shall apply to distilled spirits brought into the United States after December 31, 2013.”

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title III, §329(b), Jan. 2, 2013, 126 Stat. 2335, provided that: “The amendment made by this section [amending this section] shall apply to distilled spirits brought into the United States after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §755(b), Dec. 17, 2010, 124 Stat. 3322, provided that: “The amendment made by

this section [amending this section] shall apply to distilled spirits brought into the United States after December 31, 2009.”

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. C, title III, §308(b), Oct. 3, 2008, 122 Stat. 3869, provided that: “The amendment made by this section [amending this section] shall apply to distilled spirits brought into the United States after December 31, 2007.”

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-432, div. A, title I, §114(b), Dec. 20, 2006, 120 Stat. 2940, provided that: “The amendment made by subsection (a) [amending this section] shall apply to articles brought into the United States after December 31, 2005.”

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-59 effective July 1, 2008, but inapplicable to taxes imposed for periods before such date, see section 11125(c) of Pub. L. 109-59, set out as a note under section 5002 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-311, title III, §305(b), Oct. 4, 2004, 118 Stat. 1179, provided that: “The amendment made by this section [amending this section] shall apply to articles brought into the United States after December 31, 2003.”

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title VI, §609(b), Mar. 9, 2002, 116 Stat. 60, provided that: “The amendment made by subsection (a) [amending this section] shall apply to articles brought into the United States after December 31, 2001.”

EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106-200, title VI, §602(d), May 18, 2000, 114 Stat. 306, provided that: “The amendments made by this section [amending this section and provisions set out as a note under this section] shall apply with respect to transfers or payments made after the date of the enactment of this Act [May 18, 2000].”

EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-170, title V, §512(c), Dec. 17, 1999, 113 Stat. 1925, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on July 1, 1999.”

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-465 effective Jan. 1, 1995, see section 136(d) of Pub. L. 103-465, set out as a note under section 5001 of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 effective Oct. 1, 1993, see section 13227(f) of Pub. L. 103-66, set out as a note under section 56 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 effective Jan. 1, 1989, and applicable with respect to articles entered on or after such date, see section 1217(b)(1) of Pub. L. 100-418, set out as an Effective Date note under section 3001 of Title 19, Customs Duties.

EFFECTIVE DATE OF 1986 AMENDMENT

Pub. L. 99-514, title XVIII, §1879(i)(2), Oct. 22, 1986, 100 Stat. 2907, provided that: “The amendment made by paragraph (1) [amending this section] shall apply to articles brought into the United States after the date of the enactment of this Act [Oct. 22, 1986].”

EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98-369, div. B, title VI, §2681(b), July 18, 1984, 98 Stat. 1173, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) [amending this section] shall apply with respect to articles brought into the United States on or after March 1, 1984.

“(2) EXCEPTION FOR PUERTO RICO FOR PERIODS BEFORE JANUARY 1, 1985.—

“(A) IN GENERAL.—Subject to the limitations of subparagraphs (B) and (C), the amendments made by subsection (a) [amending this section] shall not apply with respect to articles containing distilled spirits brought into the United States from Puerto Rico after February 29, 1984, and before January 1, 1985.

“(B) \$130,000,000 LIMITATION.—In the case of such articles brought into the United States after February 29, 1984, and before July 1, 1984, the aggregate amount payable to Puerto Rico by reason of subparagraph (A) shall not exceed the excess of—

“(i) \$130,000,000, over

“(ii) the aggregate amount payable to Puerto Rico under section 7652(a) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] with respect to such articles which were brought into the United States after June 30, 1983, and before March 1, 1984, and which would not meet the requirements of section 7652(c) of such Code.

“(C) \$75,000,000 LIMITATION.—The aggregate amount payable to Puerto Rico by reason of subparagraph (A) shall not exceed \$75,000,000 in the case of articles—

“(i) brought into the United States after June 30, 1984, and before January 1, 1985,

“(ii) which would not meet the requirements of section 7652(c) of such Code,

“(iii) which have been redistilled in Puerto Rico, and

“(iv) which do not contain distilled spirits derived from cane.

“(3) LIMITATION ON INCENTIVE PAYMENTS TO UNITED STATES DISTILLERS.—

“(A) IN GENERAL.—In the case of articles to which this paragraph applies, the aggregate amount of incentive payments paid to any United States distiller with respect to such articles shall not exceed the limitation described in subparagraph (C).

“(B) ARTICLES TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to any article containing distilled spirits described in clauses (i) through (iv) of paragraph (2)(C).

“(C) LIMITATION.—

“(i) IN GENERAL.—The limitation described in this subparagraph is \$1,500,000.

“(ii) SPECIAL RULE.—The limitation described in this subparagraph shall be zero with respect to any distiller who was not entitled to or receiving incentive payments as of March 1, 1984.

“(D) PAYMENTS IN EXCESS OF LIMITATION.—If any United States distiller receives any incentive payment with respect to articles to which this paragraph applies in excess of the limitation described in subparagraph (C), such distiller shall pay to the United States the total amount of such incentive payments with respect to such articles in the same manner, and subject to the same penalties, as if such amount were tax due and payable under section 5001 of such Code on the date such payments were received.

“(E) INCENTIVE PAYMENTS.—

“(i) IN GENERAL.—For purposes of this paragraph, the term ‘incentive payment’ means any payment made directly or indirectly by the commonwealth of Puerto Rico to any United States distiller as an incentive to engage in redistillation operations.

“(ii) TRANSPORTATION PAYMENTS EXCLUDED.—Such term shall not include any payment of a direct cost of transportation to or from Puerto Rico with respect to any article to which this paragraph applies.”

Pub. L. 98-369, div. B, title VI, §2682(b), July 18, 1984, 98 Stat. 1175, provided that “The amendment made by this section [amending this section] shall apply to articles containing distilled spirits brought into the United States after September 30, 1985.”

EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 98-67, title II, §221(b), Aug. 5, 1983, 97 Stat. 395, provided that: "The amendment made by subsection (a) [amending this section] shall apply to articles imported into the United States after June 30, 1983."

EFFECTIVE DATE OF 1976 AMENDMENTS

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1906(d)(1) of Pub. L. 94-455, set out as a note under section 6013 of this title.

Pub. L. 94-202, §10(b), Jan. 2, 1976, 89 Stat. 1141, provided that: "The amendments made by paragraphs (1) and (2) of subsection (a) [amending this section] shall apply with respect to all taxes imposed by, and collected after June 30, 1975, under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States."

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 effective July 1, 1965, see section 808(d)(1) of Pub. L. 89-44, set out as a note under section 5702 of this title.

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-859 effective July 1, 1959, see section 210(a)(1) of Pub. L. 85-859, set out as an Effective Date note under section 5001 of this title.

SPECIAL COVER OVER TRANSFER RULES

Pub. L. 106-170, title V, §512(b), Dec. 17, 1999, 113 Stat. 1924, as amended by Pub. L. 106-200, §602(a), May 18, 2000, 114 Stat. 305, provided that: "Notwithstanding section 7652 of the Internal Revenue Code of 1986, the following rules shall apply with respect to any transfer before the first day of the month within which the date of the enactment of the Trade and Development Act of 2000 [May 18, 2000] occurs, of amounts relating to the increase in the cover over of taxes by reason of the amendment made by subsection (a) [amending this section]:

"(1) INITIAL TRANSFER OF INCREMENTAL INCREASE IN COVER OVER.—The Secretary of the Treasury shall, within 15 days after the date of the enactment of this Act [Dec. 17, 1999], transfer an amount equal to the lesser of—

"(A) the amount of such increase otherwise required to be covered over after June 30, 1999, and before the date of the enactment of this Act; or

"(B) \$20,000,000.

"(2) SECOND TRANSFER OF INCREMENTAL INCREASE IN COVER OVER ATTRIBUTABLE TO PERIODS BEFORE RESUMPTION OF REGULAR PAYMENTS.—The Secretary of the Treasury shall transfer on the first payment date after the date of the enactment of the Trade and Development Act of 2000 [May 18, 2000] an amount equal to the excess of—

"(A) the amount of such increase otherwise required to be covered over after June 30, 1999, and before the first day of the month within which such date of enactment occurs, over

"(B) the amount of the transfer described in paragraph (1)."

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.

PAYMENT TO PUERTO RICO OR VIRGIN ISLANDS OF AMOUNTS WITH RESPECT TO MEDICINES, ETC. UNFIT FOR BEVERAGE PURPOSES

Pub. L. 99-514, title XVIII, §1879(i)(3), Oct. 22, 1986, 100 Stat. 2907, provided that:

"(A) Section 7652 of the Internal Revenue Code of 1954 [now 1986] (other than subsection (f) thereof) shall not prevent the payment to Puerto Rico or the Virgin Islands of amounts with respect to medicines, medicinal preparations, food products, flavors, or flavoring extracts containing distilled spirits, which are unfit for beverage purposes and which are brought into the United States from Puerto Rico or the Virgin Islands on or before the date of the enactment of this Act [Oct. 22, 1986].

"(B) With respect to articles brought into the United States after September 27, 1985, subparagraph (A) shall apply only if the Secretary of the Treasury or his delegate is satisfied that the amounts paid to Puerto Rico or the Virgin Islands under subparagraph (A) are being repaid to the proper persons who used the distilled spirits in such articles."

EX. ORD. NO. 10602. SECRETARY OF THE INTERIOR AS REPRESENTATIVE OF PRESIDENT

Ex. Ord. No. 10602, Mar. 24, 1955, 20 F.R. 1795, provided: "By virtue of the authority vested in me by section 7652(b)(3) of the Internal Revenue Code of 1954 [now I.R.C. 1986] (Public Law 591, 83rd Congress, 68A Stat. 907), I hereby designate the Secretary of the Interior as the representative of the President to approve the obligation and expenditure by the government of the Virgin Islands of the moneys referred to in the said section 7652(b)(3)."

§ 7653. Shipments from the United States

(a) Tax imposed

(1) Puerto Rico

All articles of merchandise of United States manufacture coming into Puerto Rico shall be entered at the port of entry upon payment of a tax equal in rate and amount to the internal revenue tax imposed in Puerto Rico upon the like articles of Puerto Rican manufacture.

(2) Virgin Islands

There shall be imposed in the Virgin Islands upon articles imported from the United States a tax equal to the internal revenue tax imposed in such islands upon like articles there manufactured.

(b) Exemption from tax imposed in the United States

Articles, goods, wares, or merchandise going into Puerto Rico, the Virgin Islands, Guam, and American Samoa from the United States shall be exempted from the payment of any tax imposed by the internal revenue laws of the United States.

(c) Drawback of tax paid in the United States

All provisions of law for the allowance of drawback of internal revenue tax on articles exported from the United States are, so far as applicable, extended to like articles upon which an internal revenue tax has been paid when shipped from the United States to Puerto Rico, the Virgin Islands, Guam, or American Samoa.

(d) Cross reference

For the disposition of the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in Guam and transported into the United States or its possessions, or consumed in Guam, see the Act of August 1, 1950 (48 U.S.C. 1421h).

(Aug. 16, 1954, ch. 736 68A Stat. 908; Pub. L. 86-70, §22(f), June 25, 1959, 73 Stat. 146; Pub. L. 86-624,

§ 18(h), July 12, 1960, 74 Stat. 416; Pub. L. 94-455, title XIX, § 1906(a)(56), Oct. 4, 1976, 90 Stat. 1832.)

REFERENCES IN TEXT

Act of August 1, 1950, referred to in subsec. (d), is act Aug. 1, 1950, ch. 512, 64 Stat. 384, as amended, known as the Organic Act of Guam, which is classified principally to chapter 8A (§1421 et seq.) of Title 48, Territories and Insular Possessions. For complete classification of this Act to the Code, see Short Title note set out under section 1421 of Title 48 and Tables.

AMENDMENTS

1976—Subsec. (d). Pub. L. 94-455 struck out “ch. 512, 64 Stat. 392, section 30” after “August 1, 1950”.

1960—Subsec. (d). Pub. L. 86-624 substituted “or its possessions” for “, its possessions or the Territory of Hawaii”.

1959—Subsec. (d). Pub. L. 86-70 substituted “its possessions or the Territory of Hawaii” for “its Territories or possessions”.

EFFECTIVE DATE OF 1960 AMENDMENT

Amendment by Pub. L. 86-624 effective Aug. 21, 1959, see section 18(k) of Pub. L. 86-624, set out as a note under section 3121 of this title.

EFFECTIVE DATE OF 1959 AMENDMENT

Amendment by Pub. L. 86-70 effective Jan. 3, 1959, see section 22(i) of Pub. L. 86-70, set out as a note under section 3121 of this title.

§ 7654. Coordination of United States and certain possession individual income taxes

(a) General rule

The net collection of taxes imposed by chapter 1 for each taxable year with respect to an individual to whom section 931 or 932(c) applies shall be covered into the Treasury of the specified possession of which such individual is a bona fide resident.

(b) Definition and special rule

For purposes of this section—

(1) Net collections

In determining net collections for a taxable year, an appropriate adjustment shall be made for credits allowed against the tax liability and refunds made of income taxes for the taxable year.

(2) Specified possession

The term “specified possession” means Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands.

(c) Transfers

The transfers of funds between the United States and any specified possession required by this section shall be made not less frequently than annually.

(d) Federal personnel

In addition to the amount determined under subsection (a), the United States shall pay to each specified possession at such times and in such manner as determined by the Secretary—

(1) the amount of the taxes deducted and withheld by the United States under chapter 24 with respect to compensation paid to members of the Armed Forces who are stationed in such possession but who have no income tax liability to such possession with respect to such

compensation by reason of the Servicemembers Civil Relief Act (50 App. U.S.C. 501 et seq.),¹ and

(2) the amount of the taxes deducted and withheld under chapter 24 with respect to amounts paid for services performed as an employee of the United States (or any agency thereof) in a specified possession with respect to an individual unless section 931 or 932(c) applies.

(e) Regulations

The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section and sections 931 and 932, including regulations prohibiting the rebate of taxes covered over which are allocable to United States source income and prescribing the information which the individuals to whom such sections may apply shall furnish to the Secretary.

(Aug. 16, 1954, ch. 736, 68A Stat. 909; Pub. L. 92-606, §1(b), Oct. 31, 1972, 86 Stat. 1495; Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-248, title III, §§307(a)(16), 308(a), Sept. 3, 1982, 96 Stat. 590, 591; Pub. L. 98-67, title I, §102(a), Aug. 5, 1983, 97 Stat. 369; Pub. L. 99-514, title XII, §1276(a), Oct. 22, 1986, 100 Stat. 2599; Pub. L. 100-647, title I, §1012(y), Nov. 10, 1988, 102 Stat. 3530; Pub. L. 108-189, §2(d), Dec. 19, 2003, 117 Stat. 2866.)

REFERENCES IN TEXT

The Servicemembers Civil Relief Act, referred to in subsec. (d)(1), is act Oct. 17, 1940, ch. 888, 54 Stat. 1178, was classified to sections 501 et seq. of the former Appendix to Title 50, War and National Defense, prior to editorial reclassification, and is now classified principally to chapter 50 (§3901 et seq.) of Title 50. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

2003—Subsec. (d)(1). Pub. L. 108-189 substituted “Servicemembers Civil Relief Act” for “Soldiers’ and Sailors’ Civil Relief Act”.

1988—Subsec. (a). Pub. L. 100-647 substituted “an individual to whom” for “an individual to which”.

1986—Pub. L. 99-514 amended section generally, substituting provisions relating to coordination of United States and certain possession individual income taxes for provisions relating to coordination of United States and Guam individual income taxes.

1983—Subsec. (d). Pub. L. 98-67 repealed amendments made by Pub. L. 97-248. See 1982 Amendment note below.

1982—Subsec. (d). Pub. L. 97-248 provided that, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, subsec. (d) is amended by inserting “subchapter A of” before “chapter 24”. 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—Subsecs. (d), (e). Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1972—Pub. L. 92-606 substituted provisions relating to individual income taxes in Guam and their sharing by the United States and Guam, for provisions relating to payment to Guam and American Samoa of proceeds of tax on coconut and other vegetable oils.

¹ See References in Text note below.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

EFFECTIVE DATE OF 1972 AMENDMENT

Amendment by Pub. L. 92-606 applicable with respect to taxable years beginning after Dec. 31, 1972, see section 2 of Pub. L. 92-606, set out in part as an Effective Date note under section 931 of this title.

§ 7655. Cross references

(a) Imposition of tax in possessions

For provisions imposing tax in possessions, see—
(1) Chapter 2, relating to self-employment tax;
(2) Chapter 21, relating to the tax under the Federal Insurance Contributions Act.

(b) Other provisions

For other provisions relating to possessions of the United States, see—

- (1) Section 931, relating to income tax on residents of Guam, American Samoa, or the Northern Mariana Islands;**
(2) Section 933, relating to income tax on residents of Puerto Rico.

(Aug. 16, 1954, ch. 736, 68A Stat. 909; Pub. L. 85-859, title II, §204(19), Sept. 2, 1958, 72 Stat. 1430; Pub. L. 91-513, title III, §1102(k), Oct. 27, 1970, 84 Stat. 1293; Pub. L. 94-455, title XIX, §1904(b)(6)(B), Oct. 4, 1976, 90 Stat. 1815; Pub. L. 99-514, title XII, §1272(d)(11), Oct. 22, 1986, 100 Stat. 2594; Pub. L. 101-508, title XI, §11801(c)(22)(E), Nov. 5, 1990, 104 Stat. 1388-528.)

REFERENCES IN TEXT

The Federal Insurance Contributions Act, referred to in subsec. (a)(2), is act Aug. 16, 1954, ch. 736, §§3101, 3102, 3111, 3112, 3121 to 3128, 68A Stat. 415, as amended, 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.

AMENDMENTS

1990—Subsec. (a)(2), (3). Pub. L. 101-508, §11801(c)(22)(E)(i), substituted period for semicolon at end of par. (2) and struck out par. (3) which cross-referenced former chapter 37 relating to tax on sugar.

Subsec. (b)(2), (3). Pub. L. 101-508, §11801(c)(22)(E)(ii), substituted period for semicolon at end of par. (2) and struck out par. (3) which cross-referenced former section 6418(b) relating to the exportation of sugar to Puerto Rico.

1986—Subsec. (b). Pub. L. 99-514 added par. (1) and redesignated former pars. (1) and (2) as (2) and (3), respectively.

1976—Subsec. (a)(3), (5). Pub. L. 94-455 substituted “Chapter 37” for “Subchapter A of chapter 37” in par. (5) and redesignated par. (5) as (3).

1970—Subsec. (a)(3), (4). Pub. L. 91-513 struck out pars. (3) and (4) relating to taxes in respect of narcotic drugs and taxes in respect of marihuana, respectively, and making references to parts I and III of subchapter A of chapter 39 and to parts II and III of subchapter A of chapter 39, respectively.

1958—Subsec. (a)(5), (6). Pub. L. 85-859 redesignated par. (6) as (5) and struck out former par. (5) which contained a cross reference to chapter 51 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-513 effective on first day of seventh calendar month that begins after Oct. 26, 1970, see section 1105(a) of Pub. L. 91-513, set out as an Effective Date note under section 951 of Title 21, Food and Drugs.

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-859 effective Sept. 3, 1958, see section 210(a)(1) of Pub. L. 85-859, set out as an Effective Date note under section 5001 of this title.

SAVINGS PROVISION

For provisions that nothing in amendment by Pub. L. 101-508 be construed to affect treatment of certain 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.

Prosecutions for any violation of law occurring, and civil seizures or forfeitures and injunctive proceedings commenced, prior to the effective date of amendment of this section by section 1102 of Pub. L. 91-513 not to be affected or abated by reason thereof, see section 1103 of Pub. L. 91-513, set out as a note under sections 171 to 174 of Title 21, Food and Drugs.

CHAPTER 79—DEFINITIONS

Sec.	
7701.	Definitions.
7702.	Life insurance contract defined.
7702A.	Modified endowment contract defined.
7702B.	Treatment of qualified long-term care insurance.
7703.	Determination of marital status.
7704.	Certain publicly traded partnerships treated as corporations.
7705.	Certified professional employer organizations.

AMENDMENTS

2014—Pub. L. 113-295, div. B, title II, §206(d)(2), Dec. 19, 2014, 128 Stat. 4071, added item 7705.

1996—Pub. L. 104-191, title III, §321(e), Aug. 21, 1996, 110 Stat. 2059, added item 7702B.

1988—Pub. L. 100-647, title V, §5012(c)(2), Nov. 10, 1988, 102 Stat. 3664, added item 7702A.

1987—Pub. L. 100-203, title X, §10211(b), Dec. 22, 1987, 101 Stat. 1330-405, added item 7704.

1986—Pub. L. 99-514, title XIII, §1301(j)(2)(B), Oct. 22, 1986, 100 Stat. 2657, added item 7703.

1984—Pub. L. 98-369, div. A, title II, §221(c), July 18, 1984, 98 Stat. 772, added item 7702.

§ 7701. Definitions

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

(1) Person

The term “person” shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

(2) Partnership and partner

The term “partnership” includes a syndicate, group, pool, joint venture, or other un-