

Enactment of the Tax Reform Act of 1984, referred to in text, means the date of enactment of division A of Pub. L. 98-369, which was approved July 18, 1984.

## AMENDMENTS

1984—Pub. L. 98-369 inserted “, as in effect before the enactment of the Tax Reform Act of 1984” after “(26 U.S.C. 405(b), 409(a))”.

## Statutory Notes and Related Subsidiaries

## EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to obligations issued after Dec. 31, 1983, see section 491(f)(1) of Pub. L. 98-369, set out as a note under section 62 of Title 26, Internal Revenue Code.

## § 3108. Prohibition against circulation privilege

An obligation issued under sections 3102-3104(a)(1) and 3105-3107 of this title may not bear the circulation privilege.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3108 .....	31:753(d)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §18(d)(1st sentence); added Mar. 3, 1919, ch. 100, §1, 40 Stat. 1310.
	31:757c(d)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22(d)(last sentence); added Feb. 4, 1935, ch. 5, §6, 49 Stat. 21; restated Feb. 19, 1941, ch. 7, §3, 55 Stat. 8.
	31:757c-2(c)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22A(c)(last sentence); added Nov. 8, 1966, Pub. L. 89-800, §5, 80 Stat. 1515.
	31:758.	Sept. 24, 1917, ch. 56, §7(1st sentence), 40 Stat. 291.

The reference in 31:758 to certificates authorized under 31:757 is omitted because the authority under 31:757 was ended by section 2(b)(3) of the Public Debt Act of 1941 (ch. 7, 55 Stat. 7).

## § 3109. Tax and loss bonds

(a) The Secretary of the Treasury may issue tax and loss bonds of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. The proceeds of the tax and loss bonds shall be used for expenditures authorized by law. Tax and loss bonds are nontransferrable except as provided by the Secretary, bear no interest, and shall be issued in amounts needed to allow persons to comply with section 832(e) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)). The Secretary may prescribe the amount of tax and loss bonds and the conditions under which the bonds will be issued as required by section 832(e).

(b) For a taxable year in which amounts are deducted from the mortgage guaranty account referred to in section 832(e)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(3)), an amount of tax and loss bonds bought under section 832(e)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(2)) shall be redeemed for the amount deducted from the account. The amount redeemed shall be applied as necessary to pay taxes due because of the inclusion under section 832(b)(1)(E) of the Internal Revenue Code of 1986 (26 U.S.C. 832(b)(1)(E)) of amounts in gross income. The Secretary also may prescribe additional ways to redeem the bonds.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3109(a) .....	31:757c-3(1st-3d sentences).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §26; added Jan. 2, 1968, Pub. L. 90-240, §5(f), 81 Stat. 778.
3109(b) .....	31:757c-3(4th, last sentences).	

In subsection (a), the words “and may buy, redeem, and make refunds under section 3111 of this title” are substituted for “and to retire any outstanding obligations of the United States issued under this Act” for consistency. The words “subject to the limitations imposed by section 757b of this title” are omitted as surplus. The word “conditions” is substituted for “terms and conditions” because it is inclusive.

## Editorial Notes

## AMENDMENTS

1986—Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954” wherever appearing.

## § 3110. Sale of obligations of governments of foreign countries

(a) With the approval of the President, the Secretary of the Treasury may sell obligations of the government of a foreign country when the obligations were acquired under—

(1) the First Liberty Bond Act and matured before June 16, 1947;

(2) the Second Liberty Bond Act and matured before October 16, 1938; or

(3) section 7(a) of the Victory Liberty Loan Act.

(b) The Secretary may prescribe the conditions and frequency for receiving payment under obligations of a government of a foreign country acquired under the laws referred to in subsection (a) of this section. A sale of an obligation acquired under those Acts shall at least equal the purchase price and accrued interest. The proceeds of obligations sold under this section and payments received from governments on the principal of their obligations shall be used to redeem or buy (for not more than par value and accrued interest) bonds of the United States Government issued under this chapter. If those bonds cannot be redeemed or bought, the Secretary shall redeem or buy other outstanding interest-bearing obligations of the Government that are subject to redemption or which can be bought at not more than par value and accrued interest.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3110 .....	31:801.	Sept. 24, 1917, ch. 56, §3, 40 Stat. 289.
	31:802, 803.	Mar. 3, 1919, ch. 100, §§7(b), 8, 40 Stat. 1312, 1313.
	31:804.	Apr. 24, 1917, ch. 4, §3, 40 Stat. 35.

In the section, the words “government of a foreign country” are substituted for “foreign governments” for