

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF REPEAL**

Repeal applicable to taxable years beginning after Dec. 31, 2017, except as provided by transition rule, see section 13305(c) of Pub. L. 115-97, set out as an Effective Date of 2017 Amendment note under section 74 of this title.

AMENDMENT RELATING TO CONSOLIDATED APPROPRIATIONS ACT, 2016

Pub. L. 115-141, div. U, title I, §102, Mar. 23, 2018, 132 Stat. 1169, provided that:

“(a) AMENDMENT RELATING TO SECTION 305 OF DIVISION P.—For purposes of applying section 199(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as in effect before its repeal by Public Law 115-97) [see Subsection (c)(3)(C) of this Section Prior to Repeal note above] to taxable years beginning after December 31, 2015, and before January 1, 2018, such section shall be applied—

“(1) by inserting ‘who elects the application of this clause for any taxable year,’ after ‘In the case of any taxpayer’;

“(2) by substituting ‘, and who’ for ‘and who’;

“(3) by substituting ‘such taxable year’ for ‘the taxable year’, and

“(4) by substituting ‘(as defined in subsection (d)(9)(B))’ for ‘under subsection (d)(9)(B)’.

“(b) EFFECTIVE DATE.—The amendment made by this section [amending this section] shall take effect as if included in section 305 of division P of the Consolidated Appropriations Act, 2016 [Pub. L. 114-113].”

EXTENSION OF DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO

Pub. L. 115-123, div. D, title I, §40309, Feb. 9, 2018, 132 Stat. 146, provided that: “For purposes of applying section 199(d)(8)(C) of the Internal Revenue Code of 1986 [see Subsection (d)(8) of this Section Prior to Repeal note above] with respect to taxable years beginning during 2017, such section shall be applied—

“(1) by substituting ‘first 12 taxable years’ for ‘first 11 taxable years’, and

“(2) by substituting ‘January 1, 2018’ for ‘January 1, 2017.’”

§ 199A. Qualified business income**(a) Allowance of deduction**

In the case of a taxpayer other than a corporation, there shall be allowed as a deduction for any taxable year an amount equal to the lesser of—

(1) the combined qualified business income amount of the taxpayer, or

(2) an amount equal to 20 percent of the excess (if any) of—

(A) the taxable income of the taxpayer for the taxable year, over

(B) the net capital gain (as defined in section 1(h)) of the taxpayer for such taxable year.

(b) Combined qualified business income amount

For purposes of this section—

(1) In general

The term “combined qualified business income amount” means, with respect to any taxable year, an amount equal to—

(A) the sum of the amounts determined under paragraph (2) for each qualified trade or business carried on by the taxpayer, plus

(B) 20 percent of the aggregate amount of the qualified REIT dividends and qualified

publicly traded partnership income of the taxpayer for the taxable year.

(2) Determination of deductible amount for each trade or business

The amount determined under this paragraph with respect to any qualified trade or business is the lesser of—

(A) 20 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) the greater of—

(i) 50 percent of the W-2 wages with respect to the qualified trade or business, or

(ii) the sum of 25 percent of the W-2 wages with respect to the qualified trade or business, plus 2.5 percent of the unadjusted basis immediately after acquisition of all qualified property.

(3) Modifications to limit based on taxable income**(A) Exception from limit**

In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) Phase-in of limit for certain taxpayers**(i) In general**

If—

(I) the taxable income of a taxpayer for any taxable year exceeds the threshold amount, but does not exceed the sum of the threshold amount plus \$50,000 (\$100,000 in the case of a joint return), and

(II) the amount determined under paragraph (2)(B) (determined without regard to this subparagraph) with respect to any qualified trade or business carried on by the taxpayer is less than the amount determined under paragraph (2)(A) with respect such trade or business,

then paragraph (2) shall be applied with respect to such trade or business without regard to subparagraph (B) thereof and by reducing the amount determined under subparagraph (A) thereof by the amount determined under clause (ii).

(ii) Amount of reduction

The amount determined under this subparagraph is the amount which bears the same ratio to the excess amount as—

(I) the amount by which the taxpayer’s taxable income for the taxable year exceeds the threshold amount, bears to

(II) \$50,000 (\$100,000 in the case of a joint return).

(iii) Excess amount

For purposes of clause (ii), the excess amount is the excess of—

(I) the amount determined under paragraph (2)(A) (determined without regard to this paragraph), over

(II) the amount determined under paragraph (2)(B) (determined without regard to this paragraph).

(4) Wages, etc.**(A) In general**

The term “W-2 wages” means, with respect to any person for any taxable year of such person, the amounts described in paragraphs (3) and (8) of section 6051(a) paid by such person with respect to employment of employees by such person during the calendar year ending during such taxable year.

(B) Limitation to wages attributable to qualified business income

Such term shall not include any amount which is not properly allocable to qualified business income for purposes of subsection (c)(1).

(C) Return requirement

Such term shall not include any amount which is not properly included in a return filed with the Social Security Administration on or before the 60th day after the due date (including extensions) for such return.

(5) Acquisitions, dispositions, and short taxable years

The Secretary shall provide for the application of this subsection in cases of a short taxable year or where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of a trade or business during the taxable year.

(6) Qualified property

For purposes of this section:

(A) In general

The term “qualified property” means, with respect to any qualified trade or business for a taxable year, tangible property of a character subject to the allowance for depreciation under section 167—

(i) which is held by, and available for use in, the qualified trade or business at the close of the taxable year,

(ii) which is used at any point during the taxable year in the production of qualified business income, and

(iii) the depreciable period for which has not ended before the close of the taxable year.

(B) Depreciable period

The term “depreciable period” means, with respect to qualified property of a taxpayer, the period beginning on the date the property was first placed in service by the taxpayer and ending on the later of—

(i) the date that is 10 years after such date, or

(ii) the last day of the last full year in the applicable recovery period that would apply to the property under section 168 (determined without regard to subsection (g) thereof).

(7) Special rule with respect to income received from cooperatives

In the case of any qualified trade or business of a patron of a specified agricultural or horticultural cooperative, the amount determined under paragraph (2) with respect to such trade or business shall be reduced by the lesser of—

(A) 9 percent of so much of the qualified business income with respect to such trade or business as is properly allocable to qualified payments received from such cooperative, or

(B) 50 percent of so much of the W-2 wages with respect to such trade or business as are so allocable.

(c) Qualified business income

For purposes of this section—

(1) In general

The term “qualified business income” means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. Such term shall not include any qualified REIT dividends or qualified publicly traded partnership income.

(2) Carryover of losses

If the net amount of qualified income, gain, deduction, and loss with respect to qualified trades or businesses of the taxpayer for any taxable year is less than zero, such amount shall be treated as a loss from a qualified trade or business in the succeeding taxable year.

(3) Qualified items of income, gain, deduction, and loss

For purposes of this subsection—

(A) In general

The term “qualified items of income, gain, deduction, and loss” means items of income, gain, deduction, and loss to the extent such items are—

(i) effectively connected with the conduct of a trade or business within the United States (within the meaning of section 864(c), determined by substituting “qualified trade or business (within the meaning of section 199A)” for “nonresident alien individual or a foreign corporation” or for “a¹ foreign corporation” each place it appears), and

(ii) included or allowed in determining taxable income for the taxable year.

(B) Exceptions

The following items shall not be taken into account as a qualified item of income, gain, deduction, or loss:

(i) Any item of short-term capital gain, short-term capital loss, long-term capital gain, or long-term capital loss.

(ii) Any dividend, income equivalent to a dividend, or payment in lieu of dividends described in section 954(c)(1)(G). Any amount described in section 1385(a)(1) shall not be treated as described in this clause.

(iii) Any interest income other than interest income which is properly allocable to a trade or business.

(iv) Any item of gain or loss described in subparagraph (C) or (D) of section 954(c)(1) (applied by substituting “qualified trade or business” for “controlled foreign corporation”).

¹ So in original. The word “a” probably should not appear within the quoted text.

(v) Any item of income, gain, deduction, or loss taken into account under section 954(c)(1)(F) (determined without regard to clause (ii) thereof and other than items attributable to notional principal contracts entered into in transactions qualifying under section 1221(a)(7)).

(vi) Any amount received from an annuity which is not received in connection with the trade or business.

(vii) Any item of deduction or loss properly allocable to an amount described in any of the preceding clauses.

(4) Treatment of reasonable compensation and guaranteed payments

Qualified business income shall not include—

(A) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business,

(B) any guaranteed payment described in section 707(c) paid to a partner for services rendered with respect to the trade or business, and

(C) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business.

(d) Qualified trade or business

For purposes of this section—

(1) In general

The term “qualified trade or business” means any trade or business other than—

- (A) a specified service trade or business, or
- (B) the trade or business of performing services as an employee.

(2) Specified service trade or business

The term “specified service trade or business” means any trade or business—

(A) which is described in section 1202(e)(3)(A) (applied without regard to the words “engineering, architecture,”) or which would be so described if the term “employees or owners” were substituted for “employees” therein, or

(B) which involves the performance of services that consist of investing and investment management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

(3) Exception for specified service businesses based on taxpayer's income

(A) In general

If, for any taxable year, the taxable income of any taxpayer is less than the sum of the threshold amount plus \$50,000 (\$100,000 in the case of a joint return), then—

(i) any specified service trade or business of the taxpayer shall not fail to be treated as a qualified trade or business due to paragraph (1)(A), but

(ii) only the applicable percentage of qualified items of income, gain, deduction, or loss, and the W-2 wages and the unadjusted basis immediately after acqui-

sition of qualified property, of the taxpayer allocable to such specified service trade or business shall be taken into account in computing the qualified business income, W-2 wages, and the unadjusted basis immediately after acquisition of qualified property of the taxpayer for the taxable year for purposes of applying this section.

(B) Applicable percentage

For purposes of subparagraph (A), the term “applicable percentage” means, with respect to any taxable year, 100 percent reduced (not below zero) by the percentage equal to the ratio of—

(i) the taxable income of the taxpayer for the taxable year in excess of the threshold amount, bears to

(ii) \$50,000 (\$100,000 in the case of a joint return).

(e) Other definitions

For purposes of this section—

(1) Taxable income

Except as otherwise provided in subsection (g)(2)(B), taxable income shall be computed without regard to any deduction allowable under this section.

(2) Threshold amount

(A) In general

The term “threshold amount” means \$157,500 (200 percent of such amount in the case of a joint return).

(B) Inflation adjustment

In the case of any taxable year beginning after 2018, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2017” for “calendar year 2016” in subparagraph (A)(ii) thereof.

The amount of any increase under the preceding sentence shall be rounded as provided in section 1(f)(7).

(3) Qualified REIT dividend

The term “qualified REIT dividend” means any dividend from a real estate investment trust received during the taxable year which—

(A) is not a capital gain dividend, as defined in section 857(b)(3), and

(B) is not qualified dividend income, as defined in section 1(h)(11).

(4) Qualified publicly traded partnership income

The term “qualified publicly traded partnership income” means, with respect to any qualified trade or business of a taxpayer, the sum of—

(A) the net amount of such taxpayer's allocable share of each qualified item of income, gain, deduction, and loss (as defined in subsection (c)(3) and determined after the application of subsection (c)(4)) from a publicly

traded partnership (as defined in section 7704(a))² which is not treated as a corporation under section 7704(c), plus

(B) any gain recognized by such taxpayer upon disposition of its interest in such partnership to the extent such gain is treated as an amount realized from the sale or exchange of property other than a capital asset under section 751(a).

(f) Special rules

(1) Application to partnerships and S corporations

(A) In general

In the case of a partnership or S corporation—

(i) this section shall be applied at the partner or shareholder level,

(ii) each partner or shareholder shall take into account such person's allocable share of each qualified item of income, gain, deduction, and loss, and

(iii) each partner or shareholder shall be treated for purposes of subsection (b) as having W-2 wages and unadjusted basis immediately after acquisition of qualified property for the taxable year in an amount equal to such person's allocable share of the W-2 wages and the unadjusted basis immediately after acquisition of qualified property of the partnership or S corporation for the taxable year (as determined under regulations prescribed by the Secretary).

For purposes of clause (iii), a partner's or shareholder's allocable share of W-2 wages shall be determined in the same manner as the partner's or shareholder's allocable share of wage expenses. For purposes of such clause, partner's or shareholder's allocable share of the unadjusted basis immediately after acquisition of qualified property shall be determined in the same manner as the partner's or shareholder's allocable share of depreciation. For purposes of this subparagraph, in the case of an S corporation, an allocable share shall be the shareholder's pro rata share of an item.

(B) Application to trusts and estates

Rules similar to the rules under section 199(d)(1)(B)(i) (as in effect on December 1, 2017) for the apportionment of W-2 wages shall apply to the apportionment of W-2 wages and the apportionment of unadjusted basis immediately after acquisition of qualified property under this section.

(C) Treatment of trades or business in Puerto Rico

(i) In general

In the case of any taxpayer with qualified business income from sources within the commonwealth of Puerto Rico, if all such income is taxable under section 1 for such taxable year, then for purposes of determining the qualified business income of such taxpayer for such taxable year, the

term “United States” shall include the Commonwealth of Puerto Rico.

(ii) Special rule for applying limit

In the case of any taxpayer described in clause (i), the determination of W-2 wages of such taxpayer with respect to any qualified trade or business conducted in Puerto Rico shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services in Puerto Rico.

(2) Coordination with minimum tax

For purposes of determining alternative minimum taxable income under section 55, qualified business income shall be determined without regard to any adjustments under sections 56 through 59.

(3) Deduction limited to income taxes

The deduction under subsection (a) shall only be allowed for purposes of this chapter.

(4) Regulations

The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations—

(A) for requiring or restricting the allocation of items and wages under this section and such reporting requirements as the Secretary determines appropriate, and

(B) for the application of this section in the case of tiered entities.

(g) Deduction for income attributable to domestic production activities of specified agricultural or horticultural cooperatives

(1) Allowance of deduction

(A) In general

In the case of a taxpayer which is a specified agricultural or horticultural cooperative, there shall be allowed as a deduction an amount equal to 9 percent of the lesser of—

(i) the qualified production activities income of the taxpayer for the taxable year, or

(ii) the taxable income of the taxpayer for the taxable year.

(B) Limitation

(i) In general

The deduction allowable under subparagraph (A) for any taxable year shall not exceed 50 percent of the W-2 wages of the taxpayer for the taxable year.

(ii) W-2 wages

For purposes of this subparagraph, the W-2 wages of the taxpayer shall be determined in the same manner as under subsection (b)(4) (without regard to subparagraph (B) thereof and after application of subsection (b)(5)), except that such wages shall not include any amount which is not properly allocable to domestic production gross receipts for purposes of paragraph (3)(A).

(C) Taxable income of cooperatives determined without regard to certain deductions

For purposes of this subsection, the taxable income of a specified agricultural or

²So in original. Probably should be “7704(b)”).

horticultural cooperative shall be computed without regard to any deduction allowable under subsection (b) or (c) of section 1382 (relating to patronage dividends, per-unit retain allocations, and nonpatronage distributions).

(2) Deduction allowed to patrons

(A) In general

In the case of any eligible taxpayer who receives a qualified payment from a specified agricultural or horticultural cooperative, there shall be allowed as a deduction for the taxable year in which such payment is received an amount equal to the portion of the deduction allowed under paragraph (1) to such cooperative which is—

- (i) allowed with respect to the portion of the qualified production activities income to which such payment is attributable, and
- (ii) identified by such cooperative in a written notice mailed to such taxpayer during the payment period described in section 1382(d).

(B) Limitation based on taxable income

The deduction allowed to any taxpayer under this paragraph shall not exceed the taxable income of the taxpayer determined without regard to the deduction allowed under this paragraph and after taking into account any deduction allowed to the taxpayer under subsection (a) for the taxable year.

(C) Cooperative denied deduction for portion of qualified payments

The taxable income of a specified agricultural or horticultural cooperative shall not be reduced under section 1382 by reason of that portion of any qualified payment as does not exceed the deduction allowable under subparagraph (A) with respect to such payment.

(D) Eligible taxpayer

For purposes of this paragraph, the term “eligible taxpayer” means—

- (i) a taxpayer other than a corporation, or
- (ii) a specified agricultural or horticultural cooperative.

(E) Qualified payment

For purposes of this section, the term “qualified payment” means, with respect to any eligible taxpayer, any amount which—

- (i) is described in paragraph (1) or (3) of section 1385(a),
- (ii) is received by such taxpayer from a specified agricultural or horticultural cooperative, and
- (iii) is attributable to qualified production activities income with respect to which a deduction is allowed to such cooperative under paragraph (1).

(3) Qualified production activities income

For purposes of this subsection—

(A) In general

The term “qualified production activities income” for any taxable year means an amount equal to the excess (if any) of—

- (i) the taxpayer’s domestic production gross receipts for such taxable year, over
- (ii) the sum of—
 - (I) the cost of goods sold that are allocable to such receipts, and
 - (II) other expenses, losses, or deductions (other than the deduction allowed under this subsection), which are properly allocable to such receipts.

(B) Allocation method

The Secretary shall prescribe rules for the proper allocation of items described in subparagraph (A) for purposes of determining qualified production activities income. Such rules shall provide for the proper allocation of items whether or not such items are directly allocable to domestic production gross receipts.

(C) Special rules for determining costs

(i) In general

For purposes of determining costs under subclause (I) of subparagraph (A)(ii), any item or service brought into the United States shall be treated as acquired by purchase, and its cost shall be treated as not less than its value immediately after it entered the United States. A similar rule shall apply in determining the adjusted basis of leased or rented property where the lease or rental gives rise to domestic production gross receipts.

(ii) Exports for further manufacture

In the case of any property described in clause (i) that had been exported by the taxpayer for further manufacture, the increase in cost or adjusted basis under clause (i) shall not exceed the difference between the value of the property when exported and the value of the property when brought back into the United States after the further manufacture.

(D) Domestic production gross receipts

(i) In general

The term “domestic production gross receipts” means the gross receipts of the taxpayer which are derived from any lease, rental, license, sale, exchange, or other disposition of any agricultural or horticultural product which was manufactured, produced, grown, or extracted by the taxpayer (determined after the application of paragraph (4)(B)) in whole or significant part within the United States. Such term shall not include gross receipts of the taxpayer which are derived from the lease, rental, license, sale, exchange, or other disposition of land.

(ii) Related persons

(I) In general

The term “domestic production gross receipts” shall not include any gross receipts of the taxpayer derived from property leased, licensed, or rented by the taxpayer for use by any related person.

(II) Related person

For purposes of subclause (I), a person shall be treated as related to another

person if such persons are treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414, except that determinations under subsections (a) and (b) of section 52 shall be made without regard to section 1563(b).

(4) Specified agricultural or horticultural cooperative

For purposes of this section—

(A) In general

The term “specified agricultural or horticultural cooperative” means an organization to which part I of subchapter T applies which is engaged—

- (i) in the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product, or
- (ii) in the marketing of agricultural or horticultural products.

(B) Application to marketing cooperatives

A specified agricultural or horticultural cooperative described in subparagraph (A)(ii) shall be treated as having manufactured, produced, grown, or extracted in whole or significant part any agricultural or horticultural product marketed by the specified agricultural or horticultural cooperative which its patrons have so manufactured, produced, grown, or extracted.

(5) Definitions and special rules

(A) Special rule for affiliated groups

(i) In general

All members of an expanded affiliated group shall be treated as a single corporation for purposes of this subsection.

(ii) Partnerships owned by expanded affiliated groups

For purposes of paragraph (3)(D), if all of the interests in the capital and profits of a partnership are owned by members of a single expanded affiliated group at all times during the taxable year of such partnership, the partnership and all members of such group shall be treated as a single taxpayer during such period.

(iii) Expanded affiliated group

For purposes of this subsection, the term “expanded affiliated group” means an affiliated group as defined in section 1504(a), determined—

- (I) by substituting “more than 50 percent” for “at least 80 percent” each place it appears, and
- (II) without regard to paragraphs (2) and (4) of section 1504(b).

(iv) Allocation of deduction

Except as provided in regulations, the deduction under paragraph (1) shall be allocated among the members of the expanded affiliated group in proportion to each member’s respective amount (if any) of qualified production activities income.

(B) Special rule for cooperative partners

In the case of a specified agricultural or horticultural cooperative which is a partner

in a partnership, rules similar to the rules of subsection (f)(1) shall apply for purposes of this subsection.

(C) Trade or business requirement

This subsection shall be applied by only taking into account items which are attributable to the actual conduct of a trade or business.

(D) Unrelated business taxable income

For purposes of determining the tax imposed by section 511, this section shall be applied by substituting “unrelated business taxable income” for “taxable income” each place it appears in this section (other than this subparagraph).

(E) Special rule for cooperative with oil related qualified production activities income

(i) In general

If a specified agricultural or horticultural cooperative has oil related qualified production activities income for any taxable year, the amount otherwise allowable as a deduction under paragraph (1) shall be reduced by 3 percent of the least of—

- (I) the oil related qualified production activities income of the cooperative for the taxable year,
- (II) the qualified production activities income of the cooperative for the taxable year, or
- (III) taxable income.

(ii) Oil related qualified production activities income

For purposes of this subparagraph, the term “oil related qualified production activities income” means for any taxable year the qualified production activities income which is attributable to the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof (within the meaning of section 927(a)(2)(C), as in effect before its repeal) during such taxable year.

(6) Regulations

The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this subsection, including regulations which prevent more than 1 taxpayer from being allowed a deduction under this subsection with respect to any activity described in paragraph (3)(D)(i). Such regulations shall be based on the regulations applicable to cooperatives and their patrons under section 199 (as in effect before its repeal).

(h) Anti-abuse rules

The Secretary shall—

- (1) apply rules similar to the rules under section 179(d)(2) in order to prevent the manipulation of the depreciable period of qualified property using transactions between related parties, and

- (2) prescribe rules for determining the unadjusted basis immediately after acquisition of qualified property acquired in like-kind exchanges or involuntary conversions.

(i) Termination

This section shall not apply to taxable years beginning after December 31, 2025.

(Added Pub. L. 115-97, title I, §11011(a), Dec. 22, 2017, 131 Stat. 2063; amended Pub. L. 115-141, div. T, §101(a)(1), (2)(A), (C), (b), Mar. 23, 2018, 132 Stat. 1151, 1155.)

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.

Editorial Notes**REFERENCES IN TEXT**

Section 199(d)(1)(B)(i) (as in effect on December 1, 2017), referred to in subsec. (f)(1)(B), means section 199(d)(1)(B)(i) of this title prior to repeal of section 199 by Pub. L. 115-97, title I, §13305(a), Dec. 22, 2017, 131 Stat. 2126.

AMENDMENTS

2018—Subsec. (a). Pub. L. 115-141, §101(b)(1), amended subsec. (a) generally. Prior to amendment, subsec. (a) provided equation for allowed deduction for any taxable year, which included special deduction for qualified cooperative dividends.

Subsec. (b)(7). Pub. L. 115-141, §101(b)(3), added par. (7).

Subsec. (c)(1). Pub. L. 115-141, §101(b)(2)(A), struck out “, qualified cooperative dividends,” after “qualified REIT dividends”.

Subsec. (c)(3)(B). Pub. L. 115-141, §101(b)(2)(B)(i)(I), struck out “investment” before “items” in introductory provisions.

Subsec. (c)(3)(B)(ii). Pub. L. 115-141, §101(b)(2)(B)(i)(II), inserted at end “Any amount described in section 1385(a)(1) shall not be treated as described in this clause.”

Subsec. (e)(1). Pub. L. 115-141, §101(a)(2)(C), substituted “Except as otherwise provided in subsection (g)(2)(B), taxable income” for “Taxable income”.

Pub. L. 115-141, §101(a)(2)(A), substituted “any deduction” for “the deduction”.

Subsec. (e)(4), (5). Pub. L. 115-141, §101(b)(2)(B)(ii), redesignated par. (5) as (4) and struck out former par. (4) which defined “qualified cooperative dividend”.

Subsec. (g). Pub. L. 115-141, §101(a)(1), amended subsec. (g) generally. Prior to amendment, subsec. (g) related to deduction allowed to specified agricultural or horticultural cooperatives.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2018 AMENDMENT**

Amendment by Pub. L. 115-141 effective as if included in section 11011 of Pub. L. 115-97, see section 101(d) of Pub. L. 115-141, set out as a note under section 62 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 2017, see section 11011(e) of Pub. L. 115-97, set out as an Effective Date of 2017 Amendment note under section 62 of this title.

PART VII—ADDITIONAL ITEMIZED DEDUCTIONS FOR INDIVIDUALS**Sec.**

- 211. Allowance of deductions.
- 212. Expenses for production of income.
- 213. Medical, dental, etc., expenses.
- [214, 215. Repealed.]
- 216. Deduction of taxes, interest, and business depreciation by cooperative housing corporation tenant-stockholder.

Sec.	
217.	Moving expenses.
[218.	Repealed.]
219.	Retirement savings.
220.	Archer MSAs.
221.	Interest on education loans.
[222.	Repealed.]
223.	Health savings accounts.
224.	Cross reference.

Editorial Notes**AMENDMENTS**

2020—Pub. L. 116-260, div. EE, title I, §104(b)(1), Dec. 27, 2020, 134 Stat. 3041, struck out item 222 “Qualified tuition and related expenses”.

2017—Pub. L. 115-97, title I, §11051(a), Dec. 22, 2017, 131 Stat. 2089, which directed amendment of part VII of subchapter B by striking the item relating to section 215 in the table of sections for “such subpart”, was executed by striking item 215 “Alimony, etc., payments” in this analysis, which is the analysis for part VII of subchapter B of chapter 1, to reflect the probable intent of Congress.

2003—Pub. L. 108-173, title XII, §1201(j), Dec. 8, 2003, 117 Stat. 2479, added items 223 and 224 and struck out former item 223 “Cross reference”.

2001—Pub. L. 107-16, title IV, §431(c)(4), June 7, 2001, 115 Stat. 68, added items 222 and 223 and struck out former item 222 “Cross reference”.

2000—Pub. L. 106-554, §1(a)(7) [title II, §202(b)(9)], Dec. 21, 2000, 114 Stat. 2763, 2763A-629, substituted “Archer MSAs” for “Medical savings accounts” in item 220.

1997—Pub. L. 105-34, title II, §202(d), Aug. 5, 1997, 111 Stat. 809, added items 221 and 222 and struck out former item 221 “Cross reference”.

1996—Pub. L. 104-191, title III, §301(i), Aug. 21, 1996, 110 Stat. 2052, added items 220 and 221 and struck out former item 220 “Cross reference”.

1990—Pub. L. 101-508, title XI, §11802(e)(3), Nov. 5, 1990, 104 Stat. 1388-530, added item 220 and struck out former items 220 “Jury duty pay remitted to employer” and 221 “Cross references”.

1988—Pub. L. 100-647, title VI, §6007(c), Nov. 10, 1988, 102 Stat. 3687, added item 220 and redesignated former item 220 as 221.

1986—Pub. L. 99-514, title I, §§131(b)(3), 135(b)(2), title III, §301(b)(5)(B), Oct. 22, 1986, 100 Stat. 2113, 2116, 2217, added item 220, struck out items 221 “Deduction for two-earner married couples” and 222 “Adoption expenses”, substituted “reference” for “references” in item 223, and struck out item 223 “Cross reference”.

1981—Pub. L. 97-34, title I, §§103(c)(3), 125(b), title III, §311(h)(11), Aug. 13, 1981, 95 Stat. 188, 201, 282, repealed item 220 “Retirement savings for certain married individuals”, added items 221 and 222 and redesignated former item 221 as 223.

1978—Pub. L. 95-600, title I, §113(a)(2)(A), Nov. 6, 1978, 92 Stat. 2778, struck out item 218 “Contributions to candidates for public office”.

1976—Pub. L. 94-455, title V, §504(b)(2), Oct. 4, 1976, 90 Stat. 1565, struck out item 214 “Expenses for household and dependent care services necessary for gainful employment”.

Pub. L. 94-455, title XV, §1501(c), Oct. 4, 1976, 90 Stat. 1737, added item 220 and redesignated former item 220 as 221.

1974—Pub. L. 93-406, title II, §2002(h)(1), Sept. 2, 1974, 88 Stat. 970, added item 219 and redesignated former item 219 as 220.

1971—Pub. L. 92-178, title II, §210(b), title VII, §702(c), Dec. 10, 1971, 85 Stat. 520, 562, substituted “Expenses for household and dependent care services necessary for gainful employment” for “expenses for care of certain dependents” in item 214, added item 218, and redesignated former item 218 as 219.

1964—Pub. L. 88-272, title II, §213(a)(2), Feb. 26, 1964, 78 Stat. 52, added item 217 and redesignated former item 217 as 218.