

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2022 AMENDMENT**

Pub. L. 117-328, div. FF, title IV, § 4151(c), Dec. 29, 2022, 136 Stat. 5931, provided that: “The amendments made by this section [amending this section] shall apply to plan years beginning after December 31, 2022.”

Pub. L. 117-169, title I, § 11408(b), Aug. 16, 2022, 136 Stat. 1905, provided that: “The amendment made by this section [amending this section] shall apply to plan years beginning after December 31, 2022.”

Pub. L. 117-103, div. P, title II, § 307(c), Mar. 15, 2022, 136 Stat. 807, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [Mar. 15, 2022].”

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116-260, div. BB, title I, § 102(c)(4)(B), Dec. 27, 2020, 134 Stat. 2796, provided that: “The amendments made by subparagraph (A) [amending this section] shall apply for plan years beginning on or after January 1, 2022.”

Pub. L. 116-136, div. A, title III, § 3701(c), Mar. 27, 2020, 134 Stat. 415, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [Mar. 27, 2020].”

Amendment by section 3702(a) of Pub. L. 116-136 applicable to amounts paid after Dec. 31, 2019, see section 3702(d)(1) of Pub. L. 116-136, set out as a note under section 220 of this title.

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by section 11002(d)(1)(V) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

Amendment by section 11051(b)(3)(E) of Pub. L. 115-97 applicable to any divorce or separation instrument (as defined in former section 71(b)(2) of this title as in effect before Dec. 22, 2017) executed after Dec. 31, 2018, and to such instruments executed on or before Dec. 31, 2018, and modified after Dec. 31, 2018, if the modification expressly provides that the amendment made by section 11051 of Pub. L. 115-97 applies to such modification, see section 11051(c) of Pub. L. 115-97, set out as a note under section 61 of this title.

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-41, title IV, § 4007(b)(2), July 31, 2015, 129 Stat. 466, provided that: “The amendment made by this subsection [amending this section] shall apply to months beginning after December 31, 2015.”

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by section 9003(a) of Pub. L. 111-148 applicable to amounts paid with respect to taxable years beginning after Dec. 31, 2010, see section 9003(d)(1) of Pub. L. 111-148, set out as a note under section 220 of this title.

Amendment by section 9004(a) of Pub. L. 111-148 applicable to distributions made after Dec. 31, 2010, see section 9004(c) of Pub. L. 111-148, set out as a note under section 220 of this title.

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-432, div. A, title III, § 302(c)(2), Dec. 20, 2006, 120 Stat. 2949, provided that: “The amendment made by subsection (b) [amending this section] shall take effect on the date of the enactment of this Act [Dec. 20, 2006].”

Pub. L. 109-432, div. A, title III, § 303(c), Dec. 20, 2006, 120 Stat. 2950, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2006.”

Pub. L. 109-432, div. A, title III, § 305(b), Dec. 20, 2006, 120 Stat. 2951, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2006.”

Pub. L. 109-432, div. A, title III, § 307(c), Dec. 20, 2006, 120 Stat. 2953, provided that: “The amendments made by this section [amending this section and section 408 of this title] shall apply to taxable years beginning after December 31, 2006.”

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-135 effective as if included in the provisions of the Working Families Tax Relief Act of 2004, Pub. L. 108-311, to which such amendment relates, see section 404(d) of Pub. L. 109-135, set out as a note under section 21 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 2003, see section 1201(k) of Pub. L. 108-173, set out as an Effective Date of 2003 Amendment note under section 62 of this title.

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

Provisions relating to inflation adjustment of items in this section for certain years were contained in the following:

2023—Revenue Procedure 2022-24.
2022—Revenue Procedure 2021-25.
2021—Revenue Procedure 2020-32.
2020—Revenue Procedure 2019-25.
2019—Revenue Procedure 2018-30.
2018—Revenue Procedure 2017-37.
2017—Revenue Procedure 2016-28.
2016—Revenue Procedure 2015-30.
2015—Revenue Procedure 2014-30.
2014—Revenue Procedure 2013-25.
2013—Revenue Procedure 2012-26.
2012—Revenue Procedure 2011-32.
2011—Revenue Procedure 2010-22.
2010—Revenue Procedure 2009-29.
2009—Revenue Procedure 2008-29.
2008—Revenue Procedure 2007-36.

§ 224. Cross reference

For deductions in respect of a decedent, see section 691.

(Aug. 16, 1954, ch. 736, 68A Stat. 72, § 217; renumbered § 218, Pub. L. 88-272, title II, § 213(a)(1), Feb. 26, 1964, 78 Stat. 50; renumbered § 219, Pub. L. 92-178, title VII, § 702(a), Dec. 10, 1971, 85 Stat. 561; renumbered § 220, Pub. L. 93-406, title II, § 2002(a)(1), Sept. 2, 1974, 88 Stat. 958; renumbered § 221, Pub. L. 94-455, title XV, § 1501(a), Oct. 4, 1976, 90 Stat. 1734; renumbered § 222, renumbered § 223, Pub. L. 97-34, title I, §§ 103(a), 125(a), Aug. 13, 1981, 95 Stat. 187, 201; renumbered § 220 and amended Pub. L. 99-514, title I, § 135(b)(1), title III, § 301(b)(5)(A), Oct. 22, 1986, 100 Stat. 2116, 2217; renumbered § 221, Pub. L. 100-647, title VI, § 6007(a), Nov. 10, 1988, 102 Stat. 3687; renumbered § 220, Pub. L. 101-508, title XI, § 11802(e)(2), Nov. 5, 1990, 104 Stat. 1388-530; renumbered § 221, Pub. L. 104-191, title III, § 301(a), Aug. 21, 1996, 110 Stat. 2037; renumbered § 222, Pub. L. 105-34, title II, § 202(a), Aug. 5, 1997, 111 Stat. 806; renumbered § 223, Pub. L. 107-16, title IV, § 431(a), June 7, 2001, 115 Stat. 66; renumbered § 224, Pub. L. 108-173, title XII, § 1201(a), Dec. 8, 2003, 117 Stat. 2469.)

Editorial Notes**AMENDMENTS**

2003—Pub. L. 108-173 renumbered section 223 of this title as this section.

2001—Pub. L. 107-16 renumbered section 222 of this title as this section.

1997—Pub. L. 105-34 renumbered section 221 of this title as this section.

1996—Pub. L. 104-191 renumbered section 220 of this title as this section.

1990—Pub. L. 101-508 renumbered section 221 of this title as this section.

1986—Pub. L. 99-514, § 135(b)(1), renumbered section 223 of this title as this section.

Pub. L. 99-514, § 301(b)(5)(A), amended section generally, substituting “reference” for “references” in section catchline, striking out par. (1) which referred to section 1202 for deduction for long-term capital gains in the case of a taxpayer other than a corporation, and striking out par. (2) designation.

1981—Pub. L. 97-34 successively renumbered sections 221 and 222 of this title as this section.

1976—Pub. L. 94-455 renumbered section 220 of this title as this section.

1974—Pub. L. 93-406 renumbered section 219 of this title as this section.

1971—Pub. L. 92-178 renumbered section 218 of this title as this section.

1964—Pub. L. 88-272 renumbered section 217 of this title as this section.

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EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-173 applicable to taxable years beginning after Dec. 31, 2003, see section 1201(k) of Pub. L. 108-173, set out as a note under section 62 of this title.

EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-16 applicable to payments made in taxable years beginning after Dec. 31, 2001, see section 431(d) of Pub. L. 107-16, set out as a note under section 62 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 301(b)(5)(A) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 301(c) of Pub. L. 99-514, set out as a note under section 62 of this title.

SAVINGS PROVISION

For provisions that nothing in amendment by section 11802(e)(2) of 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.

PART VIII—SPECIAL DEDUCTIONS FOR CORPORATIONS

Sec.	
241.	Allowance of special deductions.
[242.	Repealed.]
243.	Dividends received by corporations.
[244.	Repealed.]
245.	Dividends received from certain foreign corporations.
245A.	Deduction for foreign source-portion of dividends received by domestic corporations from certain 10-percent owned foreign corporations. ¹
246.	Rules applying to deductions for dividends received.
246A.	Dividends received deduction reduced where portfolio stock is debt financed.
247.	Contributions to Alaska Native Settlement Trusts.
248.	Organizational expenditures.
249.	Limitation on deduction of bond premium on repurchase.

¹ So in original. Does not conform to section catchline.

250. Foreign-derived intangible income and global intangible low-taxed income.

Editorial Notes

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2017—Pub. L. 115-97, title I, §§ 13821(b)(2), 14101(e)(3), 14202(b)(4), Dec. 22, 2017, 131 Stat. 2181, 2192, 2216, added items 245A, 247, and 250.

2014—Pub. L. 113-295, div. A, title II, § 221(a)(41)(A), Dec. 19, 2014, 128 Stat. 4043, struck out item 244 “Dividends received on certain preferred stock” and item 247 “Dividends paid on certain preferred stock of public utilities”.

1990—Pub. L. 101-508, title XI, § 11801(b)(4), Nov. 5, 1990, 104 Stat. 1388-522, struck out item 250 “Certain payments to the National Railroad Passenger Corporation”.

1984—Pub. L. 98-369, div. A, title I, § 51(b), July 18, 1984, 98 Stat. 564, added item 246A.

1976—Pub. L. 94-455, title XIX, § 1901(b)(1)(AA), Oct. 4, 1976, 90 Stat. 1792, struck out item 242 “Partially tax-exempt interest”.

1970—Pub. L. 91-518, title IX, § 901(b), Oct. 30, 1970, 84 Stat. 1342, added item 250.

1969—Pub. L. 91-172, title IV, § 414(b), Dec. 30, 1969, 83 Stat. 613, added item 249.

§ 241. Allowance of special deductions

In addition to the deductions provided in part VI (sec. 161 and following), there shall be allowed as deductions in computing taxable income the items specified in this part.

(Aug. 16, 1954, ch. 736, 68A Stat. 72.)

[§ 242. Repealed. Pub. L. 94-455, title XIX, § 1901(a)(33), Oct. 4, 1976, 90 Stat. 1769]

Section, acts Aug. 16, 1954, ch. 736, 68A Stat. 72; Feb. 26, 1964, Pub. L. 88-272, title I, § 123(c), 78 Stat. 30, allowed to corporations as a deduction the amount received as interest on obligations of the United States or on obligations of corporations organized under Acts of Congress which are instrumentalities of the United States under certain conditions.

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EFFECTIVE DATE OF REPEAL

Repeal effective for taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 2 of this title.

§ 243. Dividends received by corporations

(a) General rule

In the case of a corporation, there shall be allowed as a deduction an amount equal to the following percentages of the amount received as dividends from a domestic corporation which is subject to taxation under this chapter:

(1) 50 percent, in the case of dividends other than dividends described in paragraph (2) or (3);

(2) 100 percent, in the case of dividends received by a small business investment company operating under the Small Business Investment Act of 1958 (15 U.S.C. 661 and following); and

(3) 100 percent, in the case of qualifying dividends (as defined in subsection (b)(1)).

(b) Qualifying dividends

(1) In general

For purposes of this section, the term “qualifying dividend” means any dividend received by a corporation—