

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.

#### Statutory Notes and Related Subsidiaries

##### 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	Repealed.]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	Repealed.]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. <sup>1</sup>
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.

<sup>1</sup> So in original. Does not conform to section catchline.

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

#### Editorial Notes

##### AMENDMENTS

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.

#### Statutory Notes and Related Subsidiaries

##### 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—