

## EFFECTIVE DATE

Pub. L. 89-368, title III, §301(c), Mar. 15, 1966, 80 Stat. 67, provided that: "The amendments made by subsections (a) and (b) [enacting this section] shall apply to taxable years beginning after December 31, 1965, but only with respect to amounts paid or incurred after the date of the enactment of this Act [Mar. 15, 1966]."

## PROGRAM ADVERTISING FOR PRESIDENTIAL AND VICE-PRESIDENTIAL NOMINATING CONVENTIONS

Pub. L. 90-346, June 18, 1968, 82 Stat. 183, provided for advertising in a convention program of a national political convention, applicable with respect to amounts paid or incurred on or after Jan. 1, 1968, prior to repeal by Pub. L. 93-625, §10(g), Jan. 3, 1975, 88 Stat. 2119.

### § 277. Deductions incurred by certain membership organizations in transactions with members

#### (a) General rule

In the case of a social club or other membership organization which is operated primarily to furnish services or goods to members and which is not exempt from taxation, deductions for the taxable year attributable to furnishing services, insurance, goods, or other items of value to members shall be allowed only to the extent of income derived during such year from members or transactions with members (including income derived during such year from institutes and trade shows which are primarily for the education of members). If for any taxable year such deductions exceed such income, the excess shall be treated as a deduction attributable to furnishing services, insurance, goods, or other items of value to members paid or incurred in the succeeding taxable year. The deductions provided by sections 243 and 245 (relating to dividends received by corporations) shall not be allowed to any organization to which this section applies for the taxable year.

#### (b) Exceptions

Subsection (a) shall not apply to any organization—

- (1) which for the taxable year is subject to taxation under subchapter H or L,
- (2) which has made an election before October 9, 1969, under section 456(c) or which is affiliated with such an organization,
- (3) which for each day of any taxable year is a national securities exchange subject to regulation under the Securities Exchange Act of 1934 or a contract market subject to regulation under the Commodity Exchange Act, or
- (4) which is engaged primarily in the gathering and distribution of news to its members for publication.

(Added Pub. L. 91-172, title I, §121(b)(3)(A), Dec. 30, 1969, 83 Stat. 540; amended Pub. L. 94-568, §1(c), Oct. 20, 1976, 90 Stat. 2697; Pub. L. 99-514, title XVI, §1604(a), Oct. 22, 1986, 100 Stat. 2769; Pub. L. 113-295, div. A, title II, §221(a)(41)(G), Dec. 19, 2014, 128 Stat. 4044.)

#### Editorial Notes

##### REFERENCES IN TEXT

The Securities Exchange Act of 1934, referred to in subsec. (b)(3), is act June 6, 1934, ch. 404, 48 Stat. 881, which is classified principally to chapter 2B (§78a et seq.) of Title 15, Commerce and Trade. For complete

classification of this Act to the Code, see section 78a of Title 15 and Tables.

The Commodity Exchange Act, referred to in subsec. (b)(3), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, which is classified generally to chapter 1 (§1 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see section 1 of Title 7 and Tables.

#### AMENDMENTS

2014—Subsec. (a). Pub. L. 113-295 struck out “, 244,” after “sections 243”.

1986—Subsec. (b)(4). Pub. L. 99-514 added par. (4).

1976—Subsec. (a). Pub. L. 94-568 provided that the deductions provided by sections 243, 244, and 245 (relating to dividends received by corporations) shall not be allowed to any organization to which this section applies for the taxable year.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 not applicable to preferred stock issued before Oct. 1, 1942 (determined in the same manner as under section 247 of this title as in effect before its repeal by Pub. L. 113-295), see section 221(a)(41)(K) of Pub. L. 113-295, set out as a note under section 172 of this title.

Except as otherwise provided in section 221(a) of Pub. L. 113-295, amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

##### EFFECTIVE DATE OF 1986 AMENDMENT

Pub. L. 99-514, title XVI, §1604(b), Oct. 22, 1986, 100 Stat. 2769, provided that: "The amendment made by this section [amending this section] shall apply to taxable years beginning after the date of the enactment of this Act [Oct. 22, 1986]."

##### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-568 applicable to taxable years beginning after Oct. 20, 1976, see section 1(d) of Pub. L. 94-568, set out as a note under section 501 of this title.

##### EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1970, see section 121(g) of Pub. L. 91-172, set out as an Effective Date of 1969 Amendment note under section 511 of this title.

### § 278. Repealed. Pub. L. 99-514, title VIII, § 803(b)(6), Oct. 22, 1986, 100 Stat. 2356]

Section, added Pub. L. 91-172, title II, §216(a), Dec. 30, 1969, 83 Stat. 573; amended Pub. L. 91-680, §1(a), (b), (d), Jan. 12, 1971, 84 Stat. 2064; Pub. L. 94-455, title II, §207(b)(1), (2), Oct. 4, 1976, 90 Stat. 1538, related to capital expenditures incurred in planting and developing citrus and almond groves, and certain capital expenditures of farming syndicates.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF REPEAL

If any interest costs incurred after Dec. 31, 1986, are attributable to costs incurred before Jan. 1, 1987, the repeal of this section is applicable to such interest costs only to the extent such interest costs are attributable to costs which were required to be capitalized under section 263 of the Internal Revenue Code of 1954 and which would have been taken into account in applying section 189 of the Internal Revenue Code of 1954 (as in effect before its repeal by section 803 of Pub. L. 99-514) or, if applicable, section 266 of such Code, see section 7831(d)(2) of Pub. L. 101-239, set out as an Effective Date note under section 263A of this title.