

after Nov. 9, 1978, see section 233(d) of Pub. L. 95-618, set out as a note under section 34 of this title.

SPECIAL RULES IN THE CASE OF SMALL OWNER-  
OPERATORS

Amendment by section 513(b) of Pub. L. 97-424 effective July 1, 1984, in the case of a small owner-operator, notwithstanding section 513(f)(2) of Pub. L. 97-424, see section 901(b)(2) of Pub. L. 98-369, set out as a note under section 4481 of this title.

**§ 4484. Cross references**

(1) For penalties and administrative provisions applicable to this subchapter, see subtitle F.

(2) For exemption for uses by Indian tribal governments (or their subdivisions), see section 7871.

(Added June 29, 1956, ch. 462, title II, §206(a), 70 Stat. 391; amended Pub. L. 97-473, title II, §202(b)(10), Jan. 14, 1983, 96 Stat. 2610.)

**Editorial Notes**

AMENDMENTS

1983—Pub. L. 97-473 designated existing provisions as par. (1) and added par. (2).

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 1983 AMENDMENT

For effective date of amendment by Pub. L. 97-473, see section 204(5) of Pub. L. 97-473, set out as an Effective Date note under section 7871 of this title.

EFFECTIVE DATE

Section effective June 29, 1956, see section 211 of act June 29, 1956, set out as an Effective Date of 1956 Amendment note under section 4041 of this title.

**[Subchapter E—Repealed]**

**[§§ 4491 to 4494. Repealed. Pub. L. 97-248, title II, § 280(c)(1), Sept. 3, 1982, 96 Stat. 564]**

Section 4491, added Pub. L. 91-258, title II, §206(a), May 21, 1970, 84 Stat. 243; amended Pub. L. 91-614, title III, §305(a), Dec. 31, 1970, 84 Stat. 1846; Pub. L. 96-298, §1(c)(1), July 1, 1980, 94 Stat. 829, provided for imposition of a tax on use of civil aircraft.

Section 4492, added Pub. L. 91-258, title II, §206(a), May 21, 1970, 84 Stat. 243; amended Pub. L. 94-530, §2(a), Oct. 17, 1976, 90 Stat. 2488; Pub. L. 95-163, §17(b)(1), Nov. 9, 1977, 91 Stat. 1286; Pub. L. 95-504, §2(b), Oct. 24, 1978, 92 Stat. 1705, provided definitions to be used for purposes of this subchapter.

Section 4493, added Pub. L. 91-258, title II, §206(a), May 21, 1970, 84 Stat. 244; amended Pub. L. 94-455, title XIX, §§1904(a)(13), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1814, 1834, enumerated special rules for payment of tax by lessees and certain persons engaged in foreign air commerce.

Section 4494, added Pub. L. 91-258, title II, §206(a), May 21, 1970, 84 Stat. 245, provided a cross reference to subtitle F of this title for penalties and administrative provisions applicable to this subchapter.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF REPEAL

Repeal applicable with respect to transportation beginning after Aug. 31, 1982, but inapplicable to amounts paid on or before such date, see section 280(d) of Pub. L. 97-248, set out as an Effective Date of 1982 Amendment note under section 4261 of this title.

TAX ON USE OF AIRCRAFT

Pub. L. 96-298, §1(c)(2), (3), July 1, 1980, 94 Stat. 829, set out various changes in the amount and rate of tax

under former section 4491 of this title for period beginning on July 1, 1980, and ending on Oct. 1, 1980, and provided that due date for filing any tax return of tax imposed by such section 4491, with respect to any use after June 30, 1980, would not be earlier than Oct. 31, 1980.

**[Subchapter F—Repealed]**

**[§§ 4495 to 4498. Repealed. Pub. L. 105-34, title XIV, § 1432(b)(1), Aug. 5, 1997, 111 Stat. 1050]**

Section 4495, added Pub. L. 96-283, title IV, §402(a), June 28, 1980, 94 Stat. 582, provided for imposition of tax on removal of hard mineral resource from deep seabed.

Section 4496, added Pub. L. 96-283, title IV, §402(a), June 28, 1980, 94 Stat. 583, defined terms for purposes of this subchapter.

Section 4497, added Pub. L. 96-283, title IV, §402(a), June 28, 1980, 94 Stat. 583; amended Pub. L. 99-514, title XV, §1511(c)(7), Oct. 22, 1986, 100 Stat. 2745, related to imputed values for commercially recoverable metals and minerals and provided for suspension of tax on minerals held for later processing.

Section 4498, added Pub. L. 96-283, title IV, §402(a), June 28, 1980, 94 Stat. 584, provided for termination of tax imposed by section 4495.

**CHAPTER 37—REPURCHASE OF CORPORATE STOCK**

Sec.

4501. Repurchase of corporate stock.

**Editorial Notes**

PRIOR PROVISIONS

A prior chapter 37, comprised of former sections 4501 et seq. of this title, related to excise tax on sugar and coconut oil, prior to repeal by Pub. L. 101-508, title XI, §11801(a)(48), Nov. 5, 1990, 104 Stat. 1388-522 and Pub. L. 87-456, title III, §302(d), May 24, 1962, 76 Stat. 77.

**§ 4501. Repurchase of corporate stock**

**(a) General rule**

There is hereby imposed on each covered corporation a tax equal to 1 percent of the fair market value of any stock of the corporation which is repurchased by such corporation during the taxable year.

**(b) Covered corporation**

For purposes of this section, the term “covered corporation” means any domestic corporation the stock of which is traded on an established securities market (within the meaning of section 7704(b)(1)).

**(c) Repurchase**

For purposes of this section—

**(1) In general**

The term “repurchase” means—

(A) a redemption within the meaning of section 317(b) with regard to the stock of a covered corporation, and

(B) any transaction determined by the Secretary to be economically similar to a transaction described in subparagraph (A).

**(2) Treatment of purchases by specified affiliates**

**(A) In general**

The acquisition of stock of a covered corporation by a specified affiliate of such covered corporation, from a person who is not the covered corporation or a specified affil-

iate of such covered corporation, shall be treated as a repurchase of the stock of the covered corporation by such covered corporation.

**(B) Specified affiliate**

For purposes of this section, the term “specified affiliate” means, with respect to any corporation—

(i) any corporation more than 50 percent of the stock of which is owned (by vote or by value), directly or indirectly, by such corporation, and

(ii) any partnership more than 50 percent of the capital interests or profits interests of which is held, directly or indirectly, by such corporation.

**(3) Adjustment**

The amount taken into account under subsection (a) with respect to any stock repurchased by a covered corporation shall be reduced by the fair market value of any stock issued by the covered corporation during the taxable year, including the fair market value of any stock issued or provided to employees of such covered corporation or employees of a specified affiliate of such covered corporation during the taxable year, whether or not such stock is issued or provided in response to the exercise of an option to purchase such stock.

**(d) Special rules for acquisition of stock of certain foreign corporations**

**(1) In general**

In the case of an acquisition of stock of an applicable foreign corporation by a specified affiliate of such corporation (other than a foreign corporation or a foreign partnership (unless such partnership has a domestic entity as a direct or indirect partner)) from a person who is not the applicable foreign corporation or a specified affiliate of such applicable foreign corporation, for purposes of this section—

(A) such specified affiliate shall be treated as a covered corporation with respect to such acquisition,

(B) such acquisition shall be treated as a repurchase of stock of a covered corporation by such covered corporation, and

(C) the adjustment under subsection (c)(3) shall be determined only with respect to stock issued or provided by such specified affiliate to employees of the specified affiliate.

**(2) Surrogate foreign corporations**

In the case of a repurchase of stock of a covered surrogate foreign corporation by such covered surrogate foreign corporation, or an acquisition of stock of a covered surrogate foreign corporation by a specified affiliate of such corporation, for purposes of this section—

(A) the expatriated entity with respect to such covered surrogate foreign corporation shall be treated as a covered corporation with respect to such repurchase or acquisition,

(B) such repurchase or acquisition shall be treated as a repurchase of stock of a covered corporation by such covered corporation, and

(C) the adjustment under subsection (c)(3) shall be determined only with respect to

stock issued or provided by such expatriated entity to employees of the expatriated entity.

**(3) Definitions**

For purposes of this subsection—

**(A) Applicable foreign corporation**

The term “applicable foreign corporation” means any foreign corporation the stock of which is traded on an established securities market (within the meaning of section 7704(b)(1)).

**(B) Covered surrogate foreign corporation**

The term “covered surrogate foreign corporation” means any surrogate foreign corporation (as determined under section 7874(a)(2)(B) by substituting “September 20, 2021” for “March 4, 2003” each place it appears) the stock of which is traded on an established securities market (within the meaning of section 7704(b)(1)), but only with respect to taxable years which include any portion of the applicable period with respect to such corporation under section 7874(d)(1).

**(C) Expatriated entity**

The term “expatriated entity” has the meaning given such term by section 7874(a)(2)(A).

**(e) Exceptions**

Subsection (a) shall not apply—

(1) to the extent that the repurchase is part of a reorganization (within the meaning of section 368(a)) and no gain or loss is recognized on such repurchase by the shareholder under chapter 1 by reason of such reorganization,

(2) in any case in which the stock repurchased is, or an amount of stock equal to the value of the stock repurchased is, contributed to an employer-sponsored retirement plan, employee stock ownership plan, or similar plan,

(3) in any case in which the total value of the stock repurchased during the taxable year does not exceed \$1,000,000,

(4) under regulations prescribed by the Secretary, in cases in which the repurchase is by a dealer in securities in the ordinary course of business,

(5) to repurchases by a regulated investment company (as defined in section 851) or a real estate investment trust, or

(6) to the extent that the repurchase is treated as a dividend for purposes of this title.

**(f) Regulations and guidance**

The Secretary shall prescribe such regulations and other guidance as are necessary or appropriate to carry out, and to prevent the avoidance of, the purposes of this section, including regulations and other guidance—

(1) to prevent the abuse of the exceptions provided by subsection (e),

(2) to address special classes of stock and preferred stock, and

(3) for the application of the rules under subsection (d).

(Added Pub. L. 117-169, title I, §10201(a), Aug. 16, 2022, 136 Stat. 1829.)

**Editorial Notes****PRIOR PROVISIONS**

Prior sections 4501 to 4503 were repealed by Pub. L. 101-508, title XI, § 11801(a)(48), Nov. 5, 1990, 104 Stat. 1388-522. For provisions that nothing in repeal by 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.

Section 4501, acts Aug. 16, 1954, ch. 736, 68A Stat. 533; May 29, 1956, ch. 342, § 19, 70 Stat. 221; Sept. 2, 1958, Pub. L. 85-859, title I, § 162(b), 72 Stat. 1306; July 6, 1960, Pub. L. 86-592, § 2, 74 Stat. 330; Mar. 31, 1961, Pub. L. 87-15, § 2(a), 75 Stat. 40; May 24, 1962, Pub. L. 87-456, title III, § 302(a), (b), 76 Stat. 77; July 13, 1962, Pub. L. 87-535, § 18(a), 76 Stat. 166; Nov. 8, 1965, Pub. L. 89-331, § 13, 79 Stat. 1280; Oct. 14, 1971, Pub. L. 92-138, § 18(b), 85 Stat. 390, related to imposition of tax upon sugar manufactured in United States.

Section 4502, acts Aug. 16, 1954, ch. 736, 68A Stat. 534; May 29, 1956, ch. 342, § 20, 70 Stat. 221; June 25, 1959, Pub. L. 86-70, § 22(c), 73 Stat. 146; July 12, 1960, Pub. L. 86-624, § 18(f), 74 Stat. 416, provided for applicable definitions.

Section 4503, act Aug. 16, 1954, ch. 736, 68A Stat. 534, related to exemption for sugar manufactured for home consumption.

Prior sections 4504 and 4511 to 4514 were repealed by Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77, effective with respect to articles entered or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, as provided by section 501(a) of Pub. L. 87-456.

Section 4504, acts Aug. 16, 1954, ch. 736, 68A Stat. 535; May 29, 1956, ch. 342, § 21(a), 70 Stat. 221, required the tax imposed by section 4501(b) to be levied, assessed, collected and paid in the same manner as a duty imposed by the Tariff Act of 1930.

Section 4511, act Aug. 16, 1954, ch. 736, 68A Stat. 536, imposed a tax upon the processing of coconut oil, etc.

Section 4512, act Aug. 16, 1954, ch. 736, 68A Stat. 536, defined “first domestic processing”.

Section 4513, act Aug. 16, 1954, ch. 736, 68A Stat. 536, related to exemptions from the tax imposed.

Section 4514, act Aug. 16, 1954, ch. 736, 68A Stat. 536, set forth a cross-reference to subtitle F for administrative provisions.

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

Pub. L. 117-169, title I, § 10201(d), Aug. 16, 2022, 136 Stat. 1831, provided that: “The amendments made by this section [enacting this chapter and amending section 275 of this title] shall apply to repurchases (within the meaning of section 4501(c) of the Internal Revenue Code of 1986, as added by this section) of stock after December 31, 2022.”

**[CHAPTER 38—REPEALED]<sup>1</sup>****[§ 4521. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 539, imposed a tax on petroleum products imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

<sup>1</sup> A new chapter 38 (§ 4611 et seq.) follows.

**[§§ 4531, 4532. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 540, imposed a tax on coal imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

**[§§ 4541, 4542. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 541, imposed a tax on copper imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

**[§§ 4551 to 4553. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 542, imposed a tax on lumber imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

**[§§ 4561, 4562. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 543, imposed a tax on animal oils imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

**[§§ 4571, 4572. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 543, 544, imposed a tax on seeds and seed oil imported into the United States.

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

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

**[§§ 4581, 4582. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]**

Sections, act Aug. 16, 1954, ch. 736, 68A Stat. 544, imposed a tax on imports of any article, merchandise, or combination (except oils specified in section 4511), 10