

“(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term ‘possession of the United States’ includes American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

“(B) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term ‘mirror code tax system’ means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(C) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from credit provisions described in such section.”

REFERENCE TO PLAN FOR EMPLOYMENT

Pub. L. 105-277, div. J, title IV, §4006(c)(1), Oct. 21, 1998, 112 Stat. 2681-912, provided that: “The reference to ‘plan for employment’ in such clause [26 U.S.C. 51(d)(6)(B)(i)] shall be treated as including a reference to the rehabilitation plan referred to in such clause as in effect before the amendment made by the preceding sentence.”

AUTHORIZATION OF APPROPRIATIONS

Pub. L. 97-34, title II, §261(f)(2), Aug. 13, 1981, 95 Stat. 263, as amended by Pub. L. 97-248, title II, §233(e), Sept. 3, 1982, 96 Stat. 502; Pub. L. 98-369, div. A, title X, §1041(b), July 18, 1984, 98 Stat. 1042; Pub. L. 99-514, title XVII, §1701(d), Oct. 22, 1986, 100 Stat. 2772; Pub. L. 100-647, title IV, §4010(b), Nov. 10, 1988, 102 Stat. 3655; Pub. L. 101-239, title VII, §7103(b), Dec. 19, 1989, 103 Stat. 2305; Pub. L. 101-508, title XI, §11405(b), Nov. 5, 1990, 104 Stat. 1388-473, provided that: “There is authorized to be appropriated for each fiscal year such sums as may be necessary, to carry out the functions described by the amendments made by paragraph (1) [amending this section], except that, of the amounts appropriated pursuant to this paragraph—

“(A) \$5,000,000 shall be used to test whether individuals certified as members of targeted groups under section 51 of such Code are eligible for such certification (including the use of statistical sampling techniques), and

“(B) the remainder shall be distributed under performance standards prescribed by the Secretary of Labor.

The Secretary of Labor shall each calendar year beginning with calendar year 1983 report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate with respect to the results of the testing conducted under subparagraph (A) during the preceding calendar year.”

[For termination, effective May 15, 2000, of reporting provisions in section 261(f)(2) of Pub. L. 97-34, set out above, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 124 of House Document No. 103-7.]

[Amendment by Pub. L. 101-508 applicable to fiscal years beginning after 1990, see section 11405(c)(2) of Pub. L. 101-508, set out as an Effective Date of 1990 Amendment note above.]

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

SPECIAL RULES FOR NEWLY TARGETED GROUPS

Pub. L. 95-600, title III, §321(d)(2), Nov. 6, 1978, 92 Stat. 2835, as amended by Pub. L. 96-222, title I, §103(a)(6)(C), (G)(xi), Apr. 1, 1980, 94 Stat. 209, 211; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(A) INDIVIDUAL MUST BE HIRED AFTER SEPTEMBER 26, 1978.—In the case of a member of a newly targeted group, for purposes of applying the amendments made by this section—

“(i) such individual shall be taken into account for purposes of the credit allowable by section 44B of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] only if such individual is first hired by the employer after September 26, 1978, and

“(ii) such individual shall be treated for purposes of such credit as having first begun work for the employer not earlier than January 1, 1979.

“(B) MEMBER OF NEWLY TARGETED GROUP DEFINED.—For purposes of subparagraph (A), an individual is a member of a newly targeted group if—

“(i) such individual meets the requirements of paragraph (1) of section 51(d) of such Code, and

“(ii) in the case of an individual meeting the requirements of subparagraph (A) of such paragraph (1), a credit was not claimed for such individual by the taxpayer for a taxable year beginning before January 1, 1979.”

CREDIT ALLOWABLE BY SECTION 44B IN CASE OF TAXABLE YEAR BEGINNING IN 1978 AND ENDING AFTER DECEMBER 31, 1978

Pub. L. 95-600, title III, §321(d)(3), Nov. 6, 1978, 92 Stat. 2836, as amended by Pub. L. 96-222, title I, §103(a)(6)(D), Apr. 1, 1980, 94 Stat. 209; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: “In the case of a taxable year which begins in 1978 and ends after December 31, 1978, the amount of the credit determined under section 51 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] shall be the sum of—

“(A) the amount of the credit which would be so determined without regard to the amendments made by this section, plus

“(B) the amount of the credit which would be so determined by reason of the amendments made by this section.”

[§51A. Repealed. Pub. L. 109-432, div. A, title I, §105(e)(4)(A), Dec. 20, 2006, 120 Stat. 2937]

Section, added Pub. L. 105-34, title VIII, §801(a), Aug. 5, 1997, 111 Stat. 869; amended Pub. L. 105-277, div. J, title I, §1003, Oct. 21, 1998, 112 Stat. 2681-888; Pub. L. 106-170, title V, §505(a), Dec. 17, 1999, 113 Stat. 1921; Pub. L. 107-16, title IV, §411(c), June 7, 2001, 115 Stat. 63; Pub. L. 107-147, title IV, §417(4), title VI, §605(a), Mar. 9, 2002, 116 Stat. 56, 60; Pub. L. 108-311, title III, §303(a)(2), Oct. 4, 2004, 118 Stat. 1179; Pub. L. 109-432, div. A, title I, §105(a), Dec. 20, 2006, 120 Stat. 2936, related to temporary incentives for employing long-term family assistance recipients. See section 51(e) of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal applicable to individuals who begin work for the employer after Dec. 31, 2006, see section 105(f)(2) of Pub. L. 109-432, set out as an Effective Date of 2006 Amendment note under section 51 of this title.

§52. Special rules

(a) Controlled group of corporations

For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) determined under section 51(a) with respect to each such member

shall be its proportionate share of the wages giving rise to such credit. For purposes of this subsection, the term “controlled group of corporations” has the meaning given to such term by section 1563(a), except that—

(1) “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears in section 1563(a)(1), and

(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

(b) Employees of partnerships, proprietorships, etc., which are under common control

For purposes of this subpart, under regulations prescribed by the Secretary—

(1) all employees of trades or business (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

(2) the credit (if any) determined under section 51(a) with respect to each trade or business shall be its proportionate share of the wages giving rise to such credit.

The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (a).

(c) Tax-exempt organizations

(1) In general

No credit shall be allowed under section 38 for any work opportunity credit determined under this subpart to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

(2) Credit made available to qualified tax-exempt organizations employing qualified veterans

For credit against payroll taxes for employment of qualified veterans by qualified tax-exempt organizations, see section 3111(e).

(d) Estates and trusts

In the case of an estate or trust—

(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed, subject to section 38(c), a credit under section 38(a) for such amount.

(e) Limitations with respect to certain persons

Under regulations prescribed by the Secretary, in the case of—

(1) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

(2) a cooperative organization described in section 1381(a),

rules similar to the rules provided in subsections (e) and (h) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply in determining the amount of the credit under this subpart.

(Added Pub. L. 95-30, title II, §202(b), May 23, 1977, 91 Stat. 143; amended Pub. L. 95-600, title

III, §321(c)(1), Nov. 6, 1978, 92 Stat. 2835; Pub. L. 96-222, title I, §103(a)(5), Apr. 1, 1980, 94 Stat. 209; Pub. L. 97-354, §5(a)(11), Oct. 19, 1982, 96 Stat. 1693; Pub. L. 98-369, div. A, title IV, §474(p)(4)–(7), July 18, 1984, 98 Stat. 838; Pub. L. 101-508, title XI, §11813(b)(4), Nov. 5, 1990, 104 Stat. 1388-551; Pub. L. 104-188, title I, §1616(b)(2), Aug. 20, 1996, 110 Stat. 1856; Pub. L. 105-34, title XVI, §1601(b), Aug. 5, 1997, 111 Stat. 1087; Pub. L. 112-56, title II, §261(e)(1), Nov. 21, 2011, 125 Stat. 730.)

Editorial Notes

REFERENCES IN TEXT

The date of the enactment of the Revenue Reconciliation Act of 1990, referred to in subsec. (e), is the date of enactment of Pub. L. 101-508, which was approved Nov. 5, 1990.

AMENDMENTS

2011—Subsec. (c). Pub. L. 112-56 designated existing provisions as par. (1), inserted heading, and added par. (2).

1997—Subsec. (c). Pub. L. 105-34 substituted “work opportunity credit” for “targeted jobs credit”.

1996—Subsec. (e)(1) to (3). Pub. L. 104-188 redesignated pars. (2) and (3) as (1) and (2), respectively, and struck out former par. (1) which read as follows: “an organization to which section 593 (relating to reserves for losses on loans) applies.”.

1990—Subsec. (e). Pub. L. 101-508 substituted “section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)” for “section 46” in concluding provisions.

1984—Subsec. (a). Pub. L. 98-369, §474(p)(4), substituted “the credit (if any) determined under section 51(a) with respect to each such member” for “the credit (if any) allowable by section 44B to each such member”.

Subsec. (b)(2). Pub. L. 98-369, §474(p)(5), substituted “the credit (if any) determined under section 51(a)” for “the credit (if any) allowable by section 44B”.

Subsec. (c). Pub. L. 98-369, §474(p)(6), substituted “credit shall be allowed under section 38 for any targeted jobs credit determined under this subpart” for “credit shall be allowed under section 44B”.

Subsec. (d)(2). Pub. L. 98-369, §474(p)(7), substituted “, subject to section 38(c), a credit under section 38(a)” for “, subject to section 53 a credit under section 44B”.

1982—Subsecs. (d) to (f). Pub. L. 97-354 struck out subsec. (d) relating to apportionment of credit among shareholders, and redesignated subsecs. (e) and (f) as (d) and (e), respectively.

1980—Subsec. (f). Pub. L. 96-222 substituted “subsections (e) and (h) of section 46” for “section 46(e)”.

1978—Subsecs. (a), (b). Pub. L. 95-600, §321(c)(1)(B), substituted “proportionate share of the wages” for “proportionate contribution to the increase in unemployment insurance wages”.

Subsecs. (c), (d). Pub. L. 95-600, §321(c)(1)(A), struck out subsec. (c) which related to dispositions by an employer, and redesignated subsecs. (d) and (f) as (c) and (d), respectively.

Subsec. (e). Pub. L. 95-600, §321(c)(1)(A), (C), redesignated subsec. (g) as (e) and struck out par. (3) which provided that the \$100,000 amount specified in section 51(d) applicable to such estate or trust be reduced to an amount which bears the same ratio to \$100,000 as the portion of the credit allocable to the estate or trust under paragraph (1) bears to the entire amount of such credit. Former subsec. (e), which related to a change in status from self-employed to employee, was struck out.

Subsecs. (f) to (h). Pub. L. 95-600, §321(c)(1)(A), redesignated subsecs. (f) to (h) as (d) to (f), respectively.

Subsec. (i). Pub. L. 95-600, §321(c)(1)(A)(i), struck out subsec. (i) which related to a \$50,000 limitation in the case of married individuals filing separate returns.

Subsec. (j). Pub. L. 95-600, §321(c)(1)(A)(i), struck out subsec. (j) which related to certain short taxable years.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2011 AMENDMENT**

Amendment by Pub. L. 112-56 applicable to individuals who begin work for the employer after Nov. 21, 2011, see section 261(g) of Pub. L. 112-56, set out as a note under section 51 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 applicable to taxable years beginning after Dec. 31, 1995, see section 1616(c) of Pub. L. 104-188, set out as a note under section 593 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-508 applicable to property placed in service after Dec. 31, 1990, but not applicable to any transition property (as defined in section 49(e) of this title), any property with respect to which qualified progress expenditures were previously taken into account under section 46(d) of this title, and any property described in section 46(b)(2)(C) of this title, as such sections were in effect on Nov. 4, 1990, see section 11813(c) of Pub. L. 101-508, set out as a note under section 45K of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to taxable years beginning after Dec. 31, 1983, and to carrybacks from such years, see section 475(a) of Pub. L. 98-369, set out as a note under section 21 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-354 applicable to taxable years beginning after Dec. 31, 1982, see section 6(a) of Pub. L. 97-354, set out as an Effective Date note under section 1361 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-222 effective, except as otherwise provided, as if it had been included in the provisions of the Revenue Act of 1978, Pub. L. 95-600, to which such amendment relates, see section 201 of Pub. L. 96-222, set out as a note under section 32 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 applicable to amounts paid or incurred after Dec. 31, 1978, in taxable years ending after such date, see section 321(d)(1) of Pub. L. 95-600, set out as a note under section 51 of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 1976, and to credit carrybacks from such years, see section 202(e) of Pub. L. 95-30, set out as a note under section 51 of this title.

SAVINGS PROVISION

For provisions that nothing in amendment 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.

SUBPART G—CREDIT AGAINST REGULAR TAX FOR PRIOR YEAR MINIMUM TAX LIABILITY

Sec.

53. Credit for prior year minimum tax liability.

§ 53. Credit for prior year minimum tax liability**(a) Allowance of credit**

There shall be allowed as a credit against the tax imposed by this chapter for any taxable year an amount equal to the minimum tax credit for such taxable year.

(b) Minimum tax credit

For purposes of subsection (a), the minimum tax credit for any taxable year is the excess (if any) of—

- (1) the adjusted net minimum tax imposed for all prior taxable years beginning after 1986, over
- (2) the amount allowable as a credit under subsection (a) for such prior taxable years.

(c) Limitation

The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

- (1) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over
- (2) the tentative minimum tax for the taxable year.

(d) Definitions

For purposes of this section—

(1) Net minimum tax**(A) In general**

The term “net minimum tax” means the tax imposed by section 55.

(B) Credit not allowed for exclusion preferences**(i) Adjusted net minimum tax**

The adjusted net minimum tax for any taxable year is—

- (I) the amount of the net minimum tax for such taxable year, reduced by
- (II) the amount which would be the net minimum tax for such taxable year if the only adjustments and items of tax preference taken into account were those specified in clause (ii).

(ii) Specified items

The following are specified in this clause—

- (I) the adjustments provided for in subsection (b)(1) of section 56, and
- (II) the items of tax preference described in paragraphs (1), (5), and (7) of section 57(a).

(iii) Credit allowable for exclusion preferences of corporations

In the case of a corporation—

- (I) the preceding provisions of this subparagraph shall not apply, and
- (II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year.

(2) Tentative minimum tax

The term “tentative minimum tax” has the meaning given to such term by section 55(b).

(e) Application to applicable corporations

In the case of a corporation—