

1984—Subsec. (b). Pub. L. 98-369 substituted “section 816” for “section 801”.

1956—Subsec. (a)(2). Act Mar. 13, 1956, substituted “the income” for “the taxable income (as defined in section 803)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 13001(c)(1) of Pub. L. 115-97, set out as a note under section 11 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to taxable years beginning after Dec. 31, 1983, see section 215 of Pub. L. 98-369, set out as an Effective Date note under section 801 of this title.

EFFECTIVE DATE OF 1956 AMENDMENT

Amendment by act Mar. 13, 1956, applicable only to taxable years beginning after Dec. 31, 1954, see section 6 of act Mar. 13, 1956, set out as a note under section 821 of this title.

[[§ 595, 596. Repealed. Pub. L. 104-188, title I, § 1616(b)(8), (9), Aug. 20, 1996, 110 Stat. 1857]

Section 595, added Pub. L. 87-834, § 6(b), Oct. 16, 1962, 76 Stat. 982; amended Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, related to foreclosure on property securing loans, including provisions relating to nonrecognition of gain or loss as result of foreclosure, character of property, basis, and regulatory authority.

Section 596, added Pub. L. 91-172, title IV, § 434(a), Dec. 30, 1969, 83 Stat. 624; amended Pub. L. 99-514, title IX, § 901(d)(4)(D), Oct. 22, 1986, 100 Stat. 2380, provided that in case of organization to which section 593 of this title applied and which computed additions to reserve for losses on loans for taxable year under section 593(b)(2) of this title, total amount allowed under sections 243, 244, and 245 of this title for taxable year as deduction with respect to dividends received was to be reduced by amount equal to 8 percent of such total amount.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal of section 595 applicable to property acquired in taxable years beginning after Dec. 31, 1995, and repeal of section 596 applicable to taxable years beginning after Dec. 31, 1995, see section 1616(c)(1), (3) of Pub. L. 104-188, set out as an Effective Date of 1996 Amendment note under section 593 of this title.

§ 597. Treatment of transactions in which Federal financial assistance provided

(a) General rule

The treatment for purposes of this chapter of any transaction in which Federal financial assistance is provided with respect to a bank or domestic building and loan association shall be determined under regulations prescribed by the Secretary.

(b) Principles used in prescribing regulations

(1) Treatment of taxable asset acquisitions

In the case of any acquisition of assets to which section 381(a) does not apply, the regulations prescribed under subsection (a) shall—

(A) provide that Federal financial assistance shall be properly taken into account by

the institution from which the assets were acquired, and

(B) provide the proper method of allocating basis among the assets so acquired (including rights to receive Federal financial assistance).

(2) Other transactions

In the case of any transaction not described in paragraph (1), the regulations prescribed under subsection (a) shall provide for the proper treatment of Federal financial assistance and appropriate adjustments to basis or other tax attributes in connection with such assistance.

(3) Denial of double benefit

No regulations prescribed under this section shall permit the utilization of any deduction (or other tax benefit) if such amount was in effect reimbursed by nontaxable Federal financial assistance.

(c) Federal financial assistance

For purposes of this section, the term “Federal financial assistance” means—

(1) any money or other property provided with respect to a domestic building and loan association by the Federal Savings and Loan Insurance Corporation or the Resolution Trust Corporation pursuant to section 406(f) of the National Housing Act (or under any other similar provision of law), and

(2) any money or other property provided with respect to a bank or domestic building and loan association by the Federal Deposit Insurance Corporation pursuant to section 11(f) or 13(c) of the Federal Deposit Insurance Act (or under any other similar provision of law),

regardless of whether any note or other instrument is issued in exchange therefor.

(d) Domestic building and loan association

For purposes of this section, the term “domestic building and loan association” has the meaning given such term by section 7701(a)(19) without regard to subparagraph (C) thereof.

(Added Pub. L. 97-34, title II, § 244(a), Aug. 13, 1981, 95 Stat. 255; amended Pub. L. 99-514, title IX, § 904(b)(1), Oct. 22, 1986, 100 Stat. 2385; Pub. L. 100-647, title IV, § 4012(b)(2)(A)–(D)(i), (c)(1), Nov. 10, 1988, 102 Stat. 3657, 3658; Pub. L. 101-73, title XIV, § 1401(a)(3)(A), (b)(1), Aug. 9, 1989, 103 Stat. 548, 549; Pub. L. 101-239, title VII, § 7841(e)(1), Dec. 19, 1989, 103 Stat. 2429; Pub. L. 101-508, title XI, § 11704(a)(7), Nov. 5, 1990, 104 Stat. 1388-518; Pub. L. 115-141, div. U, title IV, § 401(b)(25), Mar. 23, 2018, 132 Stat. 1203.)

Editorial Notes

REFERENCES IN TEXT

Section 406 of the National Housing Act, referred to in subsec. (c)(1), which was classified to section 1729 of Title 12, Banks and Banking, was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

Sections 11(f) and 13(c) of the Federal Deposit Insurance Act, referred to in subsec. (c)(2), are classified to sections 1821(f) and 1823(c), respectively, of Title 12.

AMENDMENTS

2018—Subsec. (c)(1). Pub. L. 115-141 struck out “or section 21A of the Federal Home Loan Bank Act” after “National Housing Act”.