

after Oct. 22, 2004, amended section, as in effect before the effective date of its repeal, in introductory provisions of subsec. (a), by substituting “who, during the entire taxable year” for “for the taxable year who”, in subsecs. (a)(1) and (b)(1)(B), by inserting “bona fide” before “resident”, in subsec. (b)(1)(A), by inserting “(other a bona fide resident of Guam during the entire taxable year)” after “United States”, and, in subsection (b)(2), by striking out “residence and” before “citizenship”.

EFFECTIVE DATE OF REPEAL

Repeal applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as an Effective Date of 1986 Amendment note under section 931 of this title.

[§ 936. Repealed. Pub. L. 115-141, div. U, title IV, § 401(d)(1)(C), Mar. 23, 2018, 132 Stat. 1206]

Section, added Pub. L. 94-455, title X, § 1051(b), Oct. 4, 1976, 90 Stat. 1643; amended Pub. L. 94-455, title XIX, § 1901(b)(37)(B), Oct. 4, 1976, 90 Stat. 1803; Pub. L. 95-600, title VII, § 701(u)(11)(A), (B), Nov. 6, 1978, 92 Stat. 2917; Pub. L. 97-248, title II, § 201(d)(8)(B), formerly § 201(c)(8)(B), § 213(a), Sept. 3, 1982, 96 Stat. 420, 452, renumbered § 201(d)(8)(B), Pub. L. 97-448, title III, § 306(a)(1)(A)(i), Jan. 12, 1983, 96 Stat. 2400; Pub. L. 98-369, div. A, title IV, § 474(r)(22), title VII, § 712(g), title VIII, § 801(d)(11), July 18, 1984, 98 Stat. 843, 947, 997; Pub. L. 99-499, title V, § 516(b)(1)(B), Oct. 17, 1986, 100 Stat. 1770; Pub. L. 99-514, title II, § 231(d)(3)(G), title VII, § 701(e)(4)(I), title XII, §§ 1231(a)-(d), (f), 1275(a)(1), title XVIII, § 1812(c)(4)(C), Oct. 22, 1986, 100 Stat. 2179, 2343, 2561-2563, 2598, 2835; Pub. L. 100-647, title I, §§ 1002(h)(3), 1012(h)(2)(B), (j), (n)(4), (5), title VI, § 6132(a), Nov. 10, 1988, 102 Stat. 3370, 3502, 3512, 3515, 3721; Pub. L. 101-382, title II, § 227(a), Aug. 20, 1990, 104 Stat. 661; Pub. L. 101-508, title XI, § 11704(a)(11), Nov. 5, 1990, 104 Stat. 1388-518; Pub. L. 103-66, title XIII, § 13227(a), (b), Aug. 10, 1993, 107 Stat. 489, 490; Pub. L. 104-188, title I, §§ 1601(a), 1704(t)(37), (80), Aug. 20, 1996, 110 Stat. 1827, 1889, 1891; Pub. L. 108-357, title IV, § 402(b)(2), Oct. 22, 2004, 118 Stat. 1492; Pub. L. 110-172, § 11(g)(12), Dec. 29, 2007, 121 Stat. 2490; Pub. L. 113-295, div. A, title II, § 221(a)(12)(G), Dec. 19, 2014, 128 Stat. 4038; Pub. L. 115-97, title I, § 14221(a), Dec. 22, 2017, 131 Stat. 2218, related to Puerto Rico and possession tax credit.

Statutory Notes and Related Subsidiaries

SAVINGS PROVISION

For provisions that nothing in repeal by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

§ 937. Residence and source rules involving possessions

(a) Bona fide resident

For purposes of this subpart, section 865(g)(3), section 876, section 881(b), paragraphs (2) and (3) of section 901(b), section 957(c), section 3401(a)(8)(C), and section 7654(a), except as provided in regulations, the term “bona fide resident” means a person—

(1) who is present for at least 183 days during the taxable year in Guam, American Samoa, the Northern Mariana Islands, Puerto Rico, or the Virgin Islands, as the case may be, and

(2) who does not have a tax home (determined under the principles of section 911(d)(3)

without regard to the second sentence thereof) outside such specified possession during the taxable year and does not have a closer connection (determined under the principles of section 7701(b)(3)(B)(ii)) to the United States or a foreign country than to such specified possession.

For purposes of paragraph (1), the determination as to whether a person is present for any day shall be made under the principles of section 7701(b).

(b) Source rules

Except as provided in regulations, for purposes of this title—

(1) except as provided in paragraph (2), rules similar to the rules for determining whether income is income from sources within the United States or is effectively connected with the conduct of a trade or business within the United States shall apply for purposes of determining whether income is from sources within a possession specified in subsection (a)(1) or effectively connected with the conduct of a trade or business within any such possession, and

(2) any income treated as income from sources within the United States or as effectively connected with the conduct of a trade or business within the United States shall not be treated as income from sources within any such possession or as effectively connected with the conduct of a trade or business within any such possession.

(c) Reporting requirement

(1) In general

If, for any taxable year, an individual takes the position for United States income tax reporting purposes that the individual became, or ceases to be, a bona fide resident of a possession specified in subsection (a)(1), such individual shall file with the Secretary, at such time and in such manner as the Secretary may prescribe, notice of such position.

(2) Transition rule

If, for any of an individual's 3 taxable years ending before the individual's first taxable year ending after the date of the enactment of this subsection, the individual took a position described in paragraph (1), the individual shall file with the Secretary, at such time and in such manner as the Secretary may prescribe, notice of such position.

(Added Pub. L. 108-357, title VIII, § 908(a), Oct. 22, 2004, 118 Stat. 1655.)

Editorial Notes

REFERENCES IN TEXT

The date of the enactment of this subsection, referred to in subsec. (c)(2), is the date of enactment of Pub. L. 108-357, which was approved Oct. 22, 2004.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Pub. L. 108-357, title VIII, § 908(d), Oct. 22, 2004, 118 Stat. 1657, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section