

Public Law 94-396  
94th Congress

An Act

To amend section 512(b) (5) of the Internal Revenue Code of 1954 with respect to the tax treatment of the gain on the lapse of options to buy or sell securities.

Sept. 3, 1976  
[H.R. 3052]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 512(b) (5) of the Internal Revenue Code of 1954 (relating to modifications to unrelated business taxable income) is amended by inserting after the first sentence the following new sentence: "There shall also be excluded all gains on the lapse or termination of options, written by the organization in connection with its investment activities, to buy or sell securities (as defined in section 1236(c))."

Taxes.  
Certain option  
income of exempt  
organizations.  
26 USC 512.

(b) The amendment made by subsection (a) shall apply to gain from options which lapse or terminate on or after January 1, 1976, in taxable years ending on or after such date.

26 USC 1236.  
26 USC 512 note.

SEC. 2. (a) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "September 1, 1976" and inserting in lieu thereof "September 15, 1976":

- (1) section 3402(a) (relating to income collected at source);
- (2) section 6153(g) (relating to installment payments of estimated income tax by individuals); and
- (3) section 6154(h) (relating to installment payments of estimated income tax by corporations).

Ante, p. 782.  
26 USC 3402.  
Ante, p. 782.  
26 USC 6153.  
Ante, p. 782.  
26 USC 6154.  
26 USC 3402  
note.

(b) Section 209(c) of the Tax Reduction Act of 1975 is amended by striking out "September 1, 1976" and inserting in lieu thereof "September 15, 1976".

Approved September 3, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-1134 (Comm. on Ways and Means).

SENATE REPORT No. 94-1172 (Comm. on Finance).

CONGRESSIONAL RECORD, Vol. 122 (1976):

June 8, considered and passed House.

Aug. 31, considered and passed Senate, amended.

Sept. 1, House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 37:

Sept. 6, Presidential statement.