

Public Law 96-541
96th Congress

An Act

Dec. 17, 1980
[H.R. 6975]

To extend certain temporary tax provisions, and for other purposes.

Temporary tax provisions, extension.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 18-MONTH EXTENSION OF PROVISIONS RELATING TO EMPLOYMENT STATUS FOR EMPLOYMENT TAXES.

26 USC 3401 note.

(a) **IN GENERAL.**—Subsection (a) of section 530 of the Revenue Act of 1978 (relating to termination of certain employment tax liability for periods before 1981) is amended—

- (1) by striking out “January 1, 1981” in paragraphs (1)(A) and (3) and inserting in lieu thereof “July 1, 1982”,
- (2) by striking out “1981” in the subsection heading and inserting in lieu thereof “July 1, 1982”, and
- (3) by striking out “1979 and 1980” in the heading for paragraph (3) and inserting in lieu thereof “prior”.

(b) **PROHIBITION AGAINST REGULATIONS AND RULINGS ON EMPLOYMENT STATUS.**—Subsection (b) of section 530 of the Revenue Act of 1978 is amended by striking out “January 1, 1981” and inserting in lieu thereof “July 1, 1982”.

SEC. 2. THREE-YEAR EXTENSION OF PROVISIONS RELATING TO HISTORIC PRESERVATION.

26 USC 191.

(a) **AMORTIZATION OF CERTAIN REHABILITATION EXPENDITURES.**—Section 191 of the Internal Revenue Code of 1954 (relating to amortization of certain rehabilitation expenditures for certified historic structures) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

“(g) **APPLICATION OF SECTION.**—This section shall apply with respect to additions to capital account made after June 14, 1976, and before January 1, 1984.”

26 USC 280B.

(b) **DENIAL OF DEDUCTIONS FOR CERTAIN DEMOLITIONS.**—Section 280B of such Code (relating to denial of deduction for demolition of certain historic structures) is amended by adding at the end thereof the following new subsection:

“(c) **APPLICATION OF SECTION.**—This section shall apply with respect to demolitions commencing after June 30, 1976, and before January 1, 1984.”

26 USC 167.

(c) **DEPRECIATION OF IMPROVEMENTS.**—Subsection (n) of section 167 of such Code (relating to depreciation of improvements) is amended by adding at the end thereof the following new paragraph:

“(4) **APPLICATION OF SUBSECTION.**—This subsection shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection after December 31, 1975, and before January 1, 1984.”

(d) **DEPRECIATION OF CERTAIN SUBSTANTIALLY REHABILITATED HISTORIC PROPERTY.**—Subsection (o) of section 167 of such Code (relating

to depreciation of substantially rehabilitated historic property) is amended by adding at the end thereof the following new paragraph:

“(3) APPLICATION OF SUBSECTION.—This subsection shall apply with respect to additions to capital account occurring after June 30, 1976, and before January 1, 1984.”.

(e) CONFORMING AMENDMENT.—The following provisions of section 2124 of the Tax Reform Act of 1976 are hereby repealed:

- (1) paragraph (4) of subsection (a),
- (2) paragraph (3) of subsection (b),
- (3) paragraph (2) of subsection (c), and
- (4) paragraph (2) of subsection (d).

Repeals.

26 USC 191 note.

26 USC 280B

note.

26 USC 167 note.

SEC. 3. TWO-YEAR EXTENSION OF PROVISION FOR 60-MONTH DEPRECIATION OF EXPENDITURES TO REHABILITATE LOW-INCOME RENTAL HOUSING.

Subsection (k) of section 167 of the Internal Revenue Code of 1954 (relating to depreciation of expenditures to rehabilitate low-income rental housing) is amended by striking out “January 1, 1982” each place it appears and inserting in lieu thereof “January 1, 1984”.

26 USC 167.

SEC. 4. TWO-YEAR EXTENSION OF CREDIT OR REFUND OF TAX ON FUELS USED IN CERTAIN TAXICABS.

Paragraph (3) of section 6427(e) of the Internal Revenue Code of 1954 (relating to termination of credit or refund of tax on fuels used in certain taxicabs) is amended by striking out “1980” and inserting in lieu thereof “1982”.

26 USC 6427.

SEC. 5. EXTENSION OF CERTAIN PROVISIONS RELATING TO EXCLUSION OF SCHOLARSHIP INCOME.

(a) FEDERAL GRANTS NOT INCLUDABLE IN GROSS INCOME MERELY BECAUSE THE RECIPIENT IS REQUIRED TO RENDER FUTURE SERVICE AS A FEDERAL EMPLOYEE.—

(1) IN GENERAL.—Section 117 of the Internal Revenue Code of 1954 (relating to scholarships and fellowship grants) is amended by adding at the end thereof the following new subsection:

26 USC 117.

“(c) FEDERAL GRANTS FOR TUITION AND RELATED EXPENSES NOT INCLUDABLE MERELY BECAUSE THERE IS REQUIREMENT OF FUTURE SERVICE AS FEDERAL EMPLOYEE.—

“(1) IN GENERAL.—If—

“(A) an amount received by an individual under a Federal program would be excludable under subsections (a) and (b) as a scholarship or fellowship grant but for the fact that the individual is required to perform future service as a Federal employee, and

“(B) the individual establishes that, in accordance with the terms of the grant, such amount was used for qualified tuition and related expenses,

gross income shall not include such amount.

“(2) QUALIFIED TUITION AND RELATED EXPENSES DEFINED.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified tuition and related expenses’ means—

“(i) tuition and fees required for the enrollment or attendance of a student at an institution of higher education, and

“(ii) fees, books, supplies, and equipment required for courses of instruction at an institution of higher education.

“(B) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ means an educational institution in any State which—

“(i) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate,

“(ii) is legally authorized within such State to provide a program of education beyond high school,

“(iii) provides an educational program for which it awards a bachelor’s or higher degree, provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare students for gainful employment in a recognized health profession, and

“(iv) is a public or other nonprofit institution.

“(3) SERVICE AS FEDERAL EMPLOYEE.—For purposes of this subsection, service in a health manpower shortage area shall be treated as service as a Federal employee.”

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1980.

(b) NATIONAL RESEARCH SERVICE AWARDS.—Paragraph (2) of section 161(b) of the Revenue Act of 1978 (relating to national research service awards) is amended by striking out “1980” and inserting in lieu thereof “1981”.

26 USC 117
note.

SEC. 6. REVISING AND MAKING PERMANENT RULES ALLOWING DEDUCTION FOR CONTRIBUTIONS FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 170(f) of the Internal Revenue Code of 1954 (relating to denial of deduction in case of certain contributions of partial interests in property) is amended by striking out subparagraphs (B) and (C) thereof and inserting in lieu thereof the following new subparagraph:

26 USC 170.

“(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

“(i) a contribution of a remainder interest in a personal residence or farm,

“(ii) a contribution of an undivided portion of the taxpayer’s entire interest in property, and

“(iii) a qualified conservation contribution.”

(b) QUALIFIED CONSERVATION CONTRIBUTION DEFINED.—Section 170 of such Code is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

“(h) QUALIFIED CONSERVATION CONTRIBUTION.—

Supra.

“(1) IN GENERAL.—For purposes of subsection (f)(3)(B)(iii), the term ‘qualified conservation contribution’ means a contribution—

“(A) of a qualified real property interest,

“(B) to a qualified organization,

“(C) exclusively for conservation purposes.

“(2) QUALIFIED REAL PROPERTY INTEREST.—For purposes of this subsection, the term ‘qualified real property interest’ means any of the following interests in real property:

“(A) the entire interest of the donor other than a qualified mineral interest,

“(B) a remainder interest, and

“(C) a restriction (granted in perpetuity) on the use which may be made of the real property.

“(3) **QUALIFIED ORGANIZATION.**—For purposes of paragraph (1), the term ‘qualified organization’ means an organization which—

“(A) is described in clause (v) or (vi) of subsection (b)(1)(A),

or

“(B) is described in section 501(c)(3) and—

“(i) meets the requirements of section 509(a)(2), or

“(ii) meets the requirements of section 509(a)(3) and is controlled by an organization described in subparagraph (A) or in clause (i) of this subparagraph.

26 USC 501.

26 USC 509.

“(4) **CONSERVATION PURPOSE DEFINED.**—

“(A) **IN GENERAL.**—For purposes of this subsection, the term ‘conservation purpose’ means—

“(i) the preservation of land areas for outdoor recreation by, or the education of, the general public,

“(ii) the protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem,

“(iii) the preservation of open space (including farmland and forest land) where such preservation is—

“(I) for the scenic enjoyment of the general public,

or

“(II) pursuant to a clearly delineated Federal, State, or local governmental conservation policy, and will yield a significant public benefit, or

“(iv) the preservation of an historically important land area or a certified historic structure.

“(B) **CERTIFIED HISTORIC STRUCTURE.**—For purposes of subparagraph (A)(iv), the term ‘certified historic structure’ means any building, structure, or land area which—

“(i) is listed in the National Register, or

“(ii) is located in a registered historic district (as defined in section 191(d)(2)) and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

26 USC 191.

A building, structure, or land area satisfies the preceding sentence if it satisfies such sentence either at the time of the transfer or on the due date (including extensions) for filing the transferor's return under this chapter for the taxable year in which the transfer is made.

“(5) **EXCLUSIVELY FOR CONSERVATION PURPOSES.**—For purposes of this subsection—

“(A) **CONSERVATION PURPOSE MUST BE PROTECTED.**—A contribution shall not be treated as exclusively for conservation purposes unless the conservation purpose is protected in perpetuity.

“(B) **NO SURFACE MINING PERMITTED.**—In the case of a contribution of any interest where there is a retention of a qualified mineral interest, subparagraph (A) shall not be treated as met if at any time there may be extraction or removal of minerals by any surface mining method.

“(6) **QUALIFIED MINERAL INTEREST.**—For purposes of this subsection, the term ‘qualified mineral interest’ means—

“(A) subsurface oil, gas, or other minerals, and

“(B) the right to access to such minerals.”

(c) **DEDUCTION FOR CONTRIBUTIONS FOR CONSERVATION PURPOSES MADE PERMANENT.**—Section 309(b)(1) of the Tax Reduction and Simplification Act of 1977 and section 2124(e)(4) of the Tax Reform Act of 1976 are each amended by striking out “, and before June 14, 1981”.

26 USC 170 note.

26 USC 170 note.

26 USC 170 note.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to transfers made after the date of the enactment of this Act in taxable years ending after such date.

Approved December 17, 1980.

“(B) is described in section 170(b)(1)(B).”
 “(C) means the requirements of section 170(b)(1)(C) and (D) means the requirements of section 170(b)(1)(D) and (E) means the requirements of section 170(b)(1)(E) and (F) means the requirements of section 170(b)(1)(F) and (G) means the requirements of section 170(b)(1)(G) and (H) means the requirements of section 170(b)(1)(H) and (I) means the requirements of section 170(b)(1)(I) and (J) means the requirements of section 170(b)(1)(J) and (K) means the requirements of section 170(b)(1)(K) and (L) means the requirements of section 170(b)(1)(L) and (M) means the requirements of section 170(b)(1)(M) and (N) means the requirements of section 170(b)(1)(N) and (O) means the requirements of section 170(b)(1)(O) and (P) means the requirements of section 170(b)(1)(P) and (Q) means the requirements of section 170(b)(1)(Q) and (R) means the requirements of section 170(b)(1)(R) and (S) means the requirements of section 170(b)(1)(S) and (T) means the requirements of section 170(b)(1)(T) and (U) means the requirements of section 170(b)(1)(U) and (V) means the requirements of section 170(b)(1)(V) and (W) means the requirements of section 170(b)(1)(W) and (X) means the requirements of section 170(b)(1)(X) and (Y) means the requirements of section 170(b)(1)(Y) and (Z) means the requirements of section 170(b)(1)(Z).”

“(A) is described in section 170(b)(1)(A).”
 “(B) is described in section 170(b)(1)(B).”
 “(C) is described in section 170(b)(1)(C).”
 “(D) is described in section 170(b)(1)(D).”
 “(E) is described in section 170(b)(1)(E).”
 “(F) is described in section 170(b)(1)(F).”
 “(G) is described in section 170(b)(1)(G).”
 “(H) is described in section 170(b)(1)(H).”
 “(I) is described in section 170(b)(1)(I).”
 “(J) is described in section 170(b)(1)(J).”
 “(K) is described in section 170(b)(1)(K).”
 “(L) is described in section 170(b)(1)(L).”
 “(M) is described in section 170(b)(1)(M).”
 “(N) is described in section 170(b)(1)(N).”
 “(O) is described in section 170(b)(1)(O).”
 “(P) is described in section 170(b)(1)(P).”
 “(Q) is described in section 170(b)(1)(Q).”
 “(R) is described in section 170(b)(1)(R).”
 “(S) is described in section 170(b)(1)(S).”
 “(T) is described in section 170(b)(1)(T).”
 “(U) is described in section 170(b)(1)(U).”
 “(V) is described in section 170(b)(1)(V).”
 “(W) is described in section 170(b)(1)(W).”
 “(X) is described in section 170(b)(1)(X).”
 “(Y) is described in section 170(b)(1)(Y).”
 “(Z) is described in section 170(b)(1)(Z).”

LEGISLATIVE HISTORY:

- HOUSE REPORT No. 96-1108 (Comm. on Ways and Means).
- SENATE REPORT No. 96-1007 (Comm. on Finance).
- CONGRESSIONAL RECORD, Vol. 126 (1980):
 - July 21, considered and passed House.
 - Oct. 2, considered and passed Senate, amended.
 - Dec. 1, House agreed to Senate amendments.