

95 Stat. 186.
26 USC 1201
note.

“(ii) section 102(a)(2) of the Economic Recovery Tax Act of 1981.

“(2) SPECIAL RULE FOR TAX IMPOSED BY SECTION 402 (e).—The tax imposed by subsection (e) of section 402 shall be treated as a tax imposed by section 1.”

26 USC 1 note.

(3) ELIMINATION OF 50-CENT ROUNDING ERRORS.—If any figure in any table—

95 Stat. 176.

(A) which is set forth in section 1 of the Internal Revenue Code of 1954 (as amended by section 101 of the Economic Recovery Tax Act of 1981), and

(B) which applies to married individuals filing separately or to estates and trusts,
differs by not more than 50 cents from the correct amount under the formula used in constructing such table, such figure is hereby corrected to the correct amount.

95 Stat. 186.
26 USC 1201
note.

(aa) AMENDMENT RELATED TO SECTION 102.—Clause (ii) of section 102(b)(1)(B) of the Economic Recovery Tax Act of 1981 is amended by striking out “qualified net capital gain” and inserting in lieu thereof “qualified net capital gain (or, if lesser, the alternative minimum taxable income within the meaning of section 55(b)(1) of such Code)”.

95 Stat. 188.
26 USC 402.

(b) AMENDMENT RELATED TO SECTION 104.—Subparagraph (C) of section 402(e)(1) (relating to imposition of separate tax on lump sum distributions) is amended by striking out “\$2,300” and inserting in lieu thereof “the zero bracket amount applicable to such an individual for the taxable year”.

95 Stat. 190.

(c) AMENDMENTS RELATED TO SECTION 111.—

26 USC 911.

(1) CLARIFICATION OF LIMITATION ON BENEFIT.—Subsection (d) of section 911 (relating to citizens or residents of the United States living abroad) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

“(7) AGGREGATE BENEFIT CANNOT EXCEED FOREIGN EARNED INCOME.—The sum of the amount excluded under subsection (a) and the amount deducted under subsection (c)(3)(A) for the taxable year shall not exceed the individual’s foreign earned income for such year.”

(2) TECHNICAL AMENDMENT.—Clause (ii) of section 911(c)(3)(B) (relating to special rules where housing expenses not provided by employer) is amended by striking out “subsection (a)(1)” and inserting in lieu thereof “subsection (a)”.

95 Stat. 197.
26 USC 1034
note.

(d) AMENDMENT RELATED TO SECTION 122.—Subsection (c) of section 122 of the Economic Recovery Tax Act of 1981 (relating to effective date for increase in rollover period for principal residence) is amended by adding at the end thereof the following new sentences:

“Notwithstanding the preceding sentence, the taxpayer may elect to have the amendments made by this section not apply to any old residence sold or exchanged on or before August 13, 1981. Such an election shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe.”

95 Stat. 197.

(e) AMENDMENTS RELATED TO SECTION 124.—

(1) BENEFITS MUST BE NONDISCRIMINATORY.—

26 USC 129.

(A) Subsection (d) of section 129 (defining dependent care assistance program) is amended by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respec-