

26 USC 280E: Expenditures in connection with the illegal sale of drugs

Text contains those laws in effect on April 30, 2024

From Title 26-INTERNAL REVENUE CODE

Subtitle A-Income Taxes

CHAPTER 1-NORMAL TAXES AND SURTAXES

Subchapter B-Computation of Taxable Income

PART IX-ITEMS NOT DEDUCTIBLE

Jump To:

[Source Credit](#)

[Miscellaneous](#)

[References In Text](#)

[Effective Date](#)

§280E. Expenditures in connection with the illegal sale of drugs

No deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.

(Added Pub. L. 97–248, [title III, §351\(a\)](#), [Sept. 3, 1982](#), 96 Stat. 640 .)

EDITORIAL NOTES

REFERENCES IN TEXT

The Controlled Substances Act, referred to in text, is title II of Pub. L. 91–513, [Oct. 27, 1970](#), 84 Stat. 1242 , which is classified principally to subchapter I (§801 et seq.) of chapter 13 of Title 21, Food and Drugs. Schedules I and II are set out in section 812 of Title 21. For complete classification of this Act to the Code, see Short Title note set out under section 801 of Title 21 and Tables.

STATUTORY NOTES AND RELATED SUBSIDIARIES

EFFECTIVE DATE

Pub. L. 97–248, [title III, §351\(c\)](#), [Sept. 3, 1982](#), 96 Stat. 640 , provided that: "The amendments made by this section [enacting this section] shall apply to amounts paid or incurred after the date of the enactment of this Act [Sept. 3, 1982] in taxable years ending after such date."