

## Tax Reduction Letter CLICK HERE to return to the home page

## **Internal Revenue Code Section 11**

Tax imposed

(a) Corporations in general.

A tax is hereby imposed for each taxable year on the taxable income of every corporation.

- (b) Amount of tax.
  - (1) In general.

The amount of the tax imposed by subsection (a) shall be the sum of-

- (A) 15 percent of so much of the taxable income as does not exceed \$50,000,
- (B) 25 percent of so much of the taxable income as exceeds \$50,000 but does not exceed \$75,000,
- (C) 34 percent of so much of the taxable income as exceeds \$75,000 but does not exceed \$10,000,000, and
- (D) 35 percent of so much of the taxable income as exceeds \$10,000,000.

In the case of a corporation which has taxable income in excess of \$100,000 for any taxable year, the amount of tax determined under the preceding sentence for such taxable year shall be increased by the lesser of (i) 5 percent of such excess, or (ii) \$11,750. In the case of a corporation which has taxable income in excess of \$15,000,000, the amount of the tax determined under the foregoing provisions of this paragraph shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) \$100,000.

- (2) Certain personal service corporations not eligible for graduated rates. Notwithstanding paragraph (1), the amount of the tax imposed by subsection (a) on the taxable income of a qualified personal service corporation (as defined in section 448(d)(2)) shall be equal to 35 percent of the taxable income.
- (c) Exceptions.

Subsection (a) shall not apply to a corporation subject to a tax imposed by-

- (1) section 594 (relating to mutual savings banks conducting life insurance business),
- (2) subchapter L (sec. 801 and following, relating to insurance companies), or
- (3) subchapter M (sec. 851 and following, relating to regulated investment companies and real estate investment trusts).
- (d) Foreign corporations.

In the case of a foreign corporation, the taxes imposed by subsection (a) and section 55 shall apply only as provided by section 882.