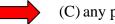




Internal Revenue Code Section 469(a)(2)(C)

Passive activity losses and credits limited

- (a) Disallowance.
 - (1) In general. If for any taxable year the taxpayer is described in paragraph (2), neither—
 - (A) the passive activity loss, nor
 - (B) the passive activity credit, for the taxable year shall be allowed.
 - (2) Persons described. The following are described in this paragraph:
 - (A) any individual, estate, or trust,
 - (B) any closely held C corporation, and



(C) any personal service corporation.