

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 (e) TRANSITION RULE.—The regulations or other
5 guidance issued by the Secretary under section 1411(c)(7)
6 of the Internal Revenue Code of 1986 (as added by this
7 section) shall include provisions which provide for the
8 proper coordination and application of clauses (i) and (iv)
9 of section 1411(c)(1)(A) with respect to—

10 (1) taxable years beginning on or before De-
11 cember 31, 2021, and

12 (2) taxable years beginning after such date.

13 **SEC. 138202. LIMITATIONS ON EXCESS BUSINESS LOSSES**
14 **OF NONCORPORATE TAXPAYERS.**

15 (a) LIMITATION MADE PERMANENT.—

16 (1) IN GENERAL.—Section 461(l)(1) is amend-
17 ed to read as follows:

18 “(1) LIMITATION.—In the case of any taxpayer
19 other than a corporation, any excess business loss of
20 the taxpayer for the taxable year shall not be al-
21 lowed.”.

22 (2) CONFORMING AMENDMENT.—Section 461 is
23 amended by striking subsection (j).

24 (b) MODIFICATION OF CARRYOVER OF DISALLOWED
25 LOSSES.—Section 461(l)(2) is amended to read as follows:

