DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9900]

RIN 1545-BP84

Carryback of Consolidated Net Operating Losses; Correcting Amendment.

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to Treasury Decision 9900, which was published in the Federal Register on Wednesday, July 8, 2020. Treasury Decision 9900 contained temporary regulations that permit consolidated groups that acquire new members that were members of another consolidated group to elect in a year subsequent to the year of acquisition to waive all or part of the pre-acquisition portion of an extended carryback period under section 172 of the Internal Revenue Code (Code) for certain losses attributable to the acquired members if there is a retroactive statutory extension of the NOL carryback period under section 172.

DATES: Effective date: These corrections are effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applicability date: For the date of applicability, see §1.1502-21T(h)(9).

FOR FURTHER INFORMATION CONTACT: Jonathan R. Neuville, at (202) 317-5363 (not a toll-free number).

SUPPLEMENTARY INFORMATION:
Background

The temporary regulations (TD 9900) that are the subject of this correction are issued under section 1502 of the Code.

Need for Correction

As published July 8, 2020 (85 FR 40892), the temporary regulations (TD 9900; FR Doc. 2020-14426) contained errors that need to be corrected.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1 – INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.1502-21T is amended by revising the second sentence of paragraph (b)(3)(ii)(C)(1), the first sentence of paragraph (b)(3)(ii)(C)(5)(i), the first sentence of paragraph (b)(3)(ii)(C)(5)(ii), the third sentence of paragraph (b)(3)(ii)(D)(2)(ii), and the second sentence of paragraph (b)(3)(ii)(D)(4)(ii) to read as follows:

§ 1.1502–21T Net operating losses (temporary).

(b) * * *

(3) * * *

(ii) * * *
(C) ** * **

(1) ** * ** (See paragraph (b)(3)(ii)(C)(2) of this section for definitions of terms used in this paragraph (b)(3)(ii)(C) and paragraph (b)(3)(ii)(D) of this section.)

* * * * *

(5) ** * **

(i) ** * ** An amended statute split-waiver election must be made in a separate statement entitled “THIS IS AN ELECTION UNDER SECTION 1.1502-21T(b)(3)(ii)(C)(1) TO WAIVE THE PRE-[insert first day of the first taxable year for which the acquired member was a member of the acquiring group] CARRYBACK PERIOD FOR THE CNOLS ATTRIBUTABLE TO THE [insert taxable year of losses] TAXABLE YEAR(S) OF [insert names and employer identification numbers of members]” (amended statute split-waiver election statement).

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(ii) ** * ** An extended split-waiver election must be made in a separate statement entitled “THIS IS AN ELECTION UNDER SECTION 1.1502-21T(b)(3)(iii)(C)(1) TO WAIVE THE PRE-[insert first day of the first taxable year for which the acquired member was a member of the acquiring group] EXTENDED CARRYBACK PERIOD FOR THE CNOLS ATTRIBUTABLE TO THE [insert taxable year of losses] TAXABLE YEAR(S) OF [insert names and employer identification numbers of members]” (extended split-waiver election statement).

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(D) ** * **

(2) ** * **
(2)(ii) See paragraph (b)(3)(ii)(C)(2)(v) of this section. * * *

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(4) * * *

(ii) See paragraph (b)(3)(ii)(C)(2)(ix) of this section.

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