

proper treatment of dealer reserve income for such years shall also be filed. In the case of partnerships and electing small business corporations under subchapter S, chapter 1 of the Code, amended returns shall be filed by the partnership or electing small business corporation, as well as by the partners or shareholders, as the case may be. Any amended return shall be filed with the office of the district director with whom the taxpayer files his income tax return for the taxable year in which the election is made and, if practicable, on the same date the statement of election is filed, but amended returns shall be filed in no event later than November 30, 1960, unless an extension of time is granted under section 6081 of the Code. Whenever the amended returns do not accompany the statement of election, a copy of the statement shall be submitted with the amended return.

(4) *Election to pay tax in installments.*

(i) Except as otherwise provided in subdivision (ii) of this subparagraph, if the taxpayer making the election under section 4(a) of the Act also desires to make the election under section 4(b) of the Act to pay the increase in tax in installments, then the statement of election shall include the following additional information:

(a) A clear indication that an election is also being made under section 4(b) of the Act;

(b) A summary of the total increases and decreases in tax, together with interest thereon, in sufficient detail to establish eligibility to make the election; and

(c) The number of annual installments in which the taxpayer elects to pay the net increase in tax.

(ii) Where a partnership or electing small business corporation under subchapter S, chapter 1 of the Code, has made an election under section 4(a) of the Act, and any partner or shareholder, as the case may be, desires to make an election under section 4(b) of the Act, a statement of election shall be filed by such partner or shareholder containing the following information:

(a) A clear indication that an election is being made under section 4(b) of the Act;

(b) A summary of the total increases and decreases in tax, together with in-

terest thereon, of such partner or shareholder in sufficient detail to establish eligibility to make the election;

(c) The number of annual installments in which the partner or shareholder elects to pay the net increase in tax; and

(d) The office of the district director and the date on which the election under section 4(a) of the Act was filed by such partnership or corporation.

The statement of election under section 4(b) of the Act shall be accompanied by a copy of the statement of election under section 4(a) of the Act made by the partnership or electing small business corporation under subchapter S, chapter 1 of the Code, as the case may be.

(c) *Effect of election.* An election made under section 3 or 4 of the Act shall become irrevocable on September 1, 1960, and shall be binding on the taxpayer for all taxable years to which it applies.

[T.D. 6490, 25 FR 8373, Sept. 1, 1960]

PUBLIC DEBT AND TAX RATE
EXTENSION ACT OF 1960

AUTHORITY: Sections 1.9003 to 1.9003-5 issued under sec. 302(c), 74 Stat. 292, as amended; 26 U.S.C. 613 note.

§ 1.9003 Statutory provisions; section 4 of the Act of September 14, 1960 (Pub. L. 86-781, 74 Stat. 1017).

SEC. 4. Subsection (c) of section 302 of the Public Debt and Tax Rate Extension Act of 1960 (Pub. L. 86-564; 74 Stat. 293) is amended to read as follows:

(c) *Effective date*—(1) *In general.* Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall be applicable only with respect to taxable years beginning after December 31, 1960.

(2) *Calcium carbonates, etc.*—(A) *Election for past years.* In the case of calcium carbonates or other minerals when used in making cement, if an election is made by the taxpayer under subparagraph (C):

(i) The amendments made by subsection (b) shall apply to taxable years with respect to which such election is effective, and

(ii) Provisions having the same effect as the amendments made by subsection (b) shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply to taxable years with respect to which such election is effective in lieu of the corresponding provisions of such Code.

(B) *Years to which applicable.* An election made under subparagraph (C) to have the provisions of this paragraph apply shall be effective for all taxable years beginning before January 1, 1961, in respect of which:

- (i) The assessment of a deficiency,
- (ii) The refund or credit of an overpayment, or
- (iii) The commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this paragraph by the operation of any law or rule of law. Such election shall also be effective for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this paragraph.

(C) *Time and manner of election.* An election to have the provisions of this paragraph apply shall be made by the taxpayer on or before the 60th day after the date of publication in the FEDERAL REGISTER of final regulations issued under authority of subparagraph (F), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

(D) *Statutes of limitation.* Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the application of the amendments made by subsection (b) may be made with respect to any taxable year to which such amendments apply under an election made under subparagraph (C), and the period within which a claim for refund or credit of an overpayment attributable to the application of such amendments may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subparagraph (C). An election by a taxpayer under subparagraph (C) shall be considered as a consent to the application of the provisions of this subparagraph.

(E) *Terms; applicability of other laws.* Except where otherwise distinctly expressed or manifestly intended, terms used in this paragraph shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this paragraph as if this paragraph were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

(F) *Regulations.* The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this paragraph.

[T.D. 6492, 25 FR 8904, Sept. 16, 1960]

§ 1.9003-1 Election to have the provisions of section 613(c) (2) and (4) of the 1954 Code, as amended, apply for past years.

(a) *In general.* Section 4 of the Act of September 14, 1960 (Pub. L. 86-781, 74 Stat. 1017), amended section 302(c) of the Public Debt and Tax Rate Extension Act of 1960 to permit certain taxpayers for taxable years beginning before January 1, 1961, to apply the provisions of section 302(b) of that Act. Section 302(b) of the Act amended section 613(c) (2) and (4) of the Internal Revenue Code of 1954 to read in part as follows:

SEC. 613. *Percentage Depletion.* * * *

(c) *Definition of gross income from property.* For purposes of this section:

* * * * *

(2) *Mining.* The term "mining" includes not merely the extraction of the ores or minerals from the ground but also the treatment processes considered as mining described in paragraph (4) (and the treatment processes necessary or incidental thereto), and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which such treatment processes are applied thereto as is not in excess of 50 miles unless the Secretary or his delegate finds that the physical and other requirements are such that the ore or mineral must be transported a greater distance to such plants or mills.

* * * * *

(4) *Treatment processes considered as mining.* The following treatment processes where applied by the mine owner or operator shall be considered as mining to the extent they are applied to the ore or mineral in respect of which he is entitled to a deduction for depletion under section 611:

* * * * *

(F) In the case of calcium carbonates and other minerals when used in making cement—all processes (other than preheating of the kiln feed) applied prior to the introduction of the kiln feed into the kiln, but not including any subsequent process;

(b) *Election.* Under section 302(c)(2) of the Act, the taxpayer, in the case of calcium carbonates or other minerals when used by him in making cement, may elect to apply the provisions of section 613(c) (2) and (4) of the