

## § 1.1502-81T

## 26 CFR Ch. I (4-1-02 Edition)

### § 1.1502-81T Alaska Native Corporations.

(a) *General Rule.* The application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the Tax Reform Act of 1986 (relating to Native Corporations established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*)) is limited to the use on a consolidated return of losses and credits of a Native Corporation, and of a corporation all of whose stock is owned directly by a Native Corporation, during any taxable year (beginning after the effective date of such sections and before 1992), or any part thereof, against the income and tax liability of a corporation affiliated with the Native Corporation. Thus, no other tax saving, tax benefit, or tax loss is intended to result from the application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the Tax Reform Act of 1986 to any person (whether or not such person is a member of an affiliated group of which a Native Corporation is the common parent). In particular, except as approved by the Secretary, no positive adjustment under § 1.1502-32(b) will be made with respect to the basis of stock of a corporation that is affiliated with a Native Corporation through application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the Tax Reform Act of 1986.

(b) *Effective Dates.* This section applies to taxable years beginning after December 31, 1984.

[T.D. 8130, 52 FR 8448, Mar. 18, 1987, as amended by T.D. 8560, 59 FR 41675, Aug. 15, 1994]

### § 1.1502-90 Table of contents.

The following list contains the major headings in §§ 1.1502-91 through 1.1502-99:

#### § 1.1502-91 Application of section 382 with respect to a consolidated group.

- (a) Determination and effect of an ownership change.
  - (1) In general.
  - (2) Special rule for post-change year that includes the change date.
  - (3) Cross-reference.
- (b) Definitions and nomenclature.
- (c) Loss group.
  - (1) Defined.

- (2) Coordination with rule that ends separate tracking.
- (3) Example.
- (d) Loss subgroup.
  - (1) Net operating loss carryovers.
  - (2) Net unrealized built-in loss.
  - (3) Loss subgroup parent.
  - (4) Election to treat loss subgroup parent requirement as satisfied.
  - (5) Principal purpose of avoiding a limitation.
  - (6) Special rules.
  - (7) Examples.
- (e) Pre-change consolidated attribute.
  - (1) Defined.
  - (2) Example.
- (f) Pre-change subgroup attribute.
  - (1) Defined.
  - (2) Example.
- (g) Net unrealized built-in gain and loss.
  - (1) In general.
  - (2) Members included.
    - (i) Consolidated group with a net operating loss.
      - (ii) Determination whether a consolidated group has a net unrealized built-in loss.
      - (iii) Loss subgroup with net operating loss carryovers.
      - (iv) Determination whether subgroup has a net unrealized built-in loss.
      - (v) Separate determination of section 382 limitation for recognized built-in losses and net operating losses.
    - (3) Coordination with rule that ends separate tracking.
    - (4) Acquisitions of built-in gain or loss assets.
    - (5) Indirect ownership.
    - (6) Common parent not common parent for five years.
      - (h) Recognized built-in gain or loss.
        - (1) In general. [Reserved]
        - (2) Disposition of stock or an intercompany obligation of a member.
        - (3) Intercompany transactions.
        - (4) Exchanged basis property.
          - (i) [Reserved]
          - (j) Predecessor and successor corporations.

#### § 1.1502-92 Ownership change of a loss group or a loss subgroup.

- (a) Scope.
- (b) Determination of an ownership change.
  - (1) Parent change method.
    - (i) Loss group.
    - (ii) Loss subgroup.
    - (iii) Special rule if election regarding section 1504(a)(1) relationship is made.
  - (2) Examples.
  - (3) Special adjustments.
    - (i) Common parent succeeded by a new common parent.
      - (ii) Newly created loss subgroup parent.
      - (iii) Examples.
    - (4) End of separate tracking of certain losses.

**Internal Revenue Service, Treasury**

**§ 1.1502-90**

(c) Supplemental rules for determining ownership change.

- (1) Scope.
- (2) Cause for applying supplemental rule.
- (3) Operating rules.
- (4) Supplemental ownership change rules.
  - (i) Additional testing dates for the common parent (or loss subgroup parent).
  - (ii) Treatment of subsidiary stock as stock of the common parent (or loss subgroup parent).
  - (iii) Different testing periods.
  - (iv) Disaffiliation of a subsidiary.
  - (v) Subsidiary stock acquired first.
  - (vi) Anti-duplication rule.
- (5) Examples.
- (d) Testing period following ownership change under this section.
- (e) Information statements.
  - (1) Common parent of a loss group.
  - (2) Abbreviated statement with respect to loss subgroups.

*§ 1.1502-93 Consolidated section 382 limitation (or subgroup section 382 limitation).*

- (a) Determination of the consolidated section 382 limitation (or subgroup section 382 limitation).
  - (1) In general.
  - (2) Coordination with apportionment rule.
- (b) Value of the loss group (or loss subgroup).
  - (1) Stock value immediately before ownership change.
  - (2) Adjustment to value.
    - (i) In general.
    - (ii) Anti-duplication.
  - (3) Examples.
- (c) Recognized built-in gain of a loss group or loss subgroup.
  - (1) In general.
  - (2) Adjustments.
  - (d) Continuity of business.
    - (1) In general.
    - (2) Example.
  - (e) Limitations of losses under other rules.

*§ 1.1502-94 Coordination with section 382 and the regulations thereunder when a corporation becomes a member of a consolidated group.*

- (a) Scope.
  - (1) In general.
  - (2) Successor corporation as new loss member.
  - (3) Coordination in the case of a loss subgroup.
  - (4) End of separate tracking of certain losses.
  - (5) Cross-reference.
- (b) Application of section 382 to a new loss member.
  - (1) In general.
  - (2) Adjustment to value.
  - (3) Pre-change separate attribute defined.
  - (4) Examples.

(c) Built-in gains and losses.  
(d) Information statements.

*§ 1.1502-95 Rules on ceasing to be a member of a consolidated group (or loss subgroup).*

- (a) In general.
  - (1) Consolidated group.
  - (2) Election by common parent.
  - (3) Coordination with §§ 1.1502-91 through 1.1502-93.
- (b) Separate application of section 382 when a member leaves a consolidated group.
  - (1) In general.
  - (2) Effect of a prior ownership change of the group.
  - (3) Application in the case of a loss subgroup.
  - (4) Examples.
- (c) Apportionment of a consolidated section 382 limitation.
  - (1) In general.
  - (2) Amount which may be apportioned.
  - (i) Consolidated section 382 limitation.
  - (ii) Net unrealized built-in gain.
  - (3) Effect of apportionment on the consolidated group.
    - (i) Consolidated section 382 limitation.
    - (ii) Net unrealized built-in gain.
    - (4) Effect on corporations to which an apportionment is made.
      - (i) Consolidated section 382 limitation.
      - (ii) Net unrealized built-in gain.
      - (5) Deemed apportionment when loss group terminates.
      - (6) Appropriate adjustments when former member leaves during the year.
      - (7) Examples.
    - (d) Rules pertaining to ceasing to be a member of a loss subgroup.
      - (1) In general.
      - (2) Exceptions.
      - (3) Examples.
      - (e) Allocation of net unrealized built-in loss.
        - (1) In general.
        - (2) Amount of allocation.
          - (i) In general.
          - (ii) Transferred basis property and deferred gain or loss.
          - (iii) Assets for which gain or loss has been recognized.
          - (iv) Exchanged basis property.
          - (v) Two or more members depart during the same year.
          - (vi) Anti-abuse rule.
        - (3) Effect of the allocation on the consolidated group.
        - (4) Effect on corporations to which the allocation is made.
        - (5) Subgroup principles.
        - (6) Apportionment of consolidated section 382 limitation (or subgroup section 382 limitation).
          - (i) In general.
          - (ii) Special rule for former members that become members of the same consolidated group.

## § 1.1502-91

(7) Examples.  
(8) Reporting requirement.  
(f) Filing the election to apportion the section 382 limitation and net unrealized built-in gain.

- (1) Form of the election to apportion.
- Signing of the election.
- (3) Filing of the election.
- (4) Revocation of election.

### *§ 1.1502-96 Miscellaneous rules.*

(a) End of separate tracking of losses.  
(1) Application.  
(2) Effect of end of separate tracking.  
(i) Net operating loss carryovers.  
(ii) Net unrealized built-in losses.  
(iii) Common parent not common parent for five years.  
(3) Continuing effect of end of separate tracking.

(i) In general.  
(ii) Example.  
(4) Special rule for testing period.  
(5) Limits on effects of end of separate tracking.

(b) Ownership change of subsidiary.  
(1) Ownership change of a subsidiary because of options or plan or arrangement.

(2) Effect of the ownership change.  
(i) In general.  
(ii) Pre-change losses.  
(3) Coordination with §§ 1.1502-91, 1.1502-92, and 1.1502-94.

(4) Example.  
(c) Continuing effect of an ownership change.

(d) Losses reattributed under § 1.1502-20(g).  
(1) In general.  
(2) Deemed section 381(a) transaction.  
(3) Rules relating to owner shifts.

(i) In general.  
(ii) Examples.  
(4) Rules relating to the section 382 limitation.

(i) Reattributed loss is a pre-change separate attribute of a new loss member.

(ii) Reattributed loss is a pre-change subgroup attribute.

(iii) Potential application of section 382(l)(1).

(iv) Duplication or omission of value.

(v) Special rule for continuity of business requirement.

(5) Election to reattribute section 382 limitation.

(i) Effect of election.  
(ii) Examples.

(e) Time and manner of making election under § 1.1502-91(d)(4).

(1) In general.  
(2) Election statement.

## 26 CFR Ch. I (4-1-02 Edition)

*§ 1.1502-97 Special rules under section 382 for members under the jurisdiction of a court in a title 11 or similar case. [Reserved]*

*§ 1.1502-98 Coordination with section 383.*

*§ 1.1502-99 Effective dates.*

(a) Effective date.

(b) Special rules.

(1) Election to treat subgroup parent requirement as satisfied.

(2) Principal purpose of avoiding a limitation.

(3) Ceasing to be a member of a loss subgroup.

(i) Ownership change of a loss subgroup.

(ii) Expiration of 5-year period.

(4) Reattribution of net operating loss carryovers under § 1.1502-20(g).

(5) Election to apportion net unrealized built-in gain.

(c) Testing period may include a period beginning before June 25, 1999.

(1) In general.

(2) Transition rule for net unrealized built-in losses.

[T.D. 8824, 64 FR 36128, July 2, 1999]

### **§ 1.1502-91 Application of section 382 with respect to a consolidated group.**

(a) *Determination and effect of an ownership change—(1) In general.* This section and §§ 1.1502-92 and 1.1502-93 set forth the rules for determining an ownership change under section 382 for members of consolidated groups and the section 382 limitations with respect to attributes described in paragraphs (e) and (f) of this section. These rules generally provide that an ownership change and the section 382 limitation are determined with respect to these attributes for the group (or loss subgroup) on a single entity basis and not for its members separately. Following an ownership change of a loss group (or a loss subgroup) under § 1.1502-92, the amount of consolidated taxable income for any post-change year which may be offset by pre-change consolidated attributes (or pre-change subgroup attributes) shall not exceed the consolidated section 382 limitation (or subgroup section 382 limitation) for such year as determined under § 1.1502-93.

(2) *Special rule for post-change year that includes the change date.* If the post-change year includes the change date, section 382(b)(3)(A) is applied so