

§ 1.6654-7

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year under section 6013(g) or (h) and the regulations.

(b) *Determination of gross income.* To determine the gross income of a non-resident alien individual who is not, or does not expect to be, a bona fide resident of Puerto Rico or a possession to which section 931 applies during the entire taxable year, see section 872 and §§ 1.872-1 and 1.872-2. To determine the gross income of a nonresident alien individual who is, or expects to be, a bona fide resident of Puerto Rico or a possession to which section 931 applies during the entire taxable year, see section 876 and the regulations. For rules for determining whether an individual is a bona fide resident of a United States possession (including Puerto Rico), see section 937 and the regulations.

[T.D. 9224, 70 FR 52301, Sept. 2, 2005]

§ 1.6654-7 Applicability.

Section 6654 is applicable only with respect to taxable years beginning after December 31, 1954. Section 294(d) of the Internal Revenue Code of 1939 shall continue in force with respect to taxable years beginning before January 1, 1955.

[T.D. 6500, 25 FR 12150, Nov. 26, 1960. Redesignated by T.D. 7282, 38 FR 19028, July 17, 1973. Redesignated by T.D. 9224, 70 FR 52301, Sept. 2, 2005]

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§ 1.6655-7 Addition to tax on account of excessive adjustment under section 6425.

[T.D. 9347, 72 FR 44348, Aug. 7, 2007]

§ 1.6655-1 Addition to the tax in the case of a corporation.

(a) *In general.* Section 6655 imposes an addition to the tax under chapter 1 of the Internal Revenue Code in the case of any underpayment of estimated tax by a corporation. An addition to tax due to the underpayment of estimated taxes is determined by applying the underpayment rate established under section 6621 to the amount of the underpayment, for the period of the underpayment. This addition to the tax is in addition to any applicable criminal penalties and is imposed whether or not there was reasonable cause for the underpayment.

(b) *Amount of underpayment.* The amount of the underpayment for any required installment is the excess of—

- (1) The required installment; over
- (2) The amount, if any, of the installment paid on or before the last date prescribed for such payment.

(c) *Period of the underpayment.* The period of the underpayment of any required installment runs from the date the installment was required to be paid to the 15th day of the 3rd month following the close of the taxable year, or