

period shall be attached to the return for the short period as a part thereof, and the return and attachment will then be considered as an application for the benefits of section 443(b)(2).

(c) *Adjustment in deduction for personal exemption.* For adjustment in the deduction for personal exemptions in computing the tax for a short period resulting from a change of annual accounting period under section 443(b)(1) (or under section 441(f)(2)(B)(iii) in the case of certain changes from or to a 52-53-week taxable year), see paragraph (b)(1)(v) of this section.

(d) *Adjustments in exclusion of computing minimum tax for tax preferences.*

(1) If a return is made for a short period on account of any of the reasons specified in subsection (a) of section 443, the \$30,000 amount specified in section 56 (relating to minimum tax for tax preferences), modified as provided by section 58 and the regulations thereunder, shall be reduced to the amount which bears the same ratio to such specified amount as the number of days in the short period bears to 365.

(2) *Example.* The provisions of this paragraph may be illustrated by the following example:

Example. A taxpayer who is an unmarried individual has been granted permission under section 442 to change his annual accounting period files a return for the short period of 4 months ending April 30, 1970. The \$30,000 amount specified in section 56 is reduced as follows:

$$(120/365) \times \$30,000 = \$9,835.89.$$

(e) *Cross references.* For inapplicability of section 443(b) and paragraph (b) of this section in computing—

(1) Accumulated earnings tax, see section 536 and the regulations thereunder;

(2) Personal holding company tax, see section 546 and the regulations thereunder;

(3) Undistributed foreign personal holding company income, see section 557 and the regulations thereunder;

(4) The taxable income of a regulated investment company, see section 852(b)(2)(E) and the regulations thereunder; and

(5) The taxable income of a real estate investment trust, see section

857(b)(2)(C) and the regulations thereunder.

[T.D. 6500, 25 F.R. 11705, Nov. 26, 1960, as amended by T.D. 6598, 27 FR 4093, Apr. 28, 1962; T.D. 6777, 29 FR 17808, Dec. 16, 1964; T.D. 7244, 37 FR 28897, Dec. 30, 1972, T.D. 7564, 43 FR 40494, Sept. 12, 1978; T.D. 7575, 43 FR 58816, Dec. 18, 1978; T.D. 7767, 465 FR 11265, Feb. 6, 1981; T.D. 8996, 67 FR 35012, May 17, 2002]

§ 1.444-0T Table of contents (temporary).

This section lists the captions that appear in the temporary regulations under section 444.

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 - (3) Special rule for entities retaining 1986 taxable year.
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(ii) Special procedure for cases where an income tax return is superseded.

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§1.444-2T Tiered structure (temporary).

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(b) Definition of a member of a tiered structure.

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(2) Deferral entity.

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(B) S corporation.

(C) Personal service corporation.

(iv) Special rules.

(A) Pro-forma rule.

(B) Reasonable estimates allowed.

(C) Newly formed entities.

(J) Newly formed deferral entities.

(2) Newly formed partnership, S corporation, or personal service corporation desiring to make a section 444 election.

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(2) Special rule for taxable years beginning in 1987.

(e) Same taxable year exception.

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(2) Definition of tiered structure.

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(ii) Special flow-through rule for downstream controlled partnerships.

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(5) Interaction with de minimis rules.

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(A) In general.

(B) Special rule for members of a tiered structure directly owned by a downstream controlled partnership.

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§1.444-3T Manner and time of making section 444 election (temporary).

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(b) Manner and time of making election.

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(2) Special extension of time for making an election.

(3) Corporation electing to be an S corporation.

(i) In general.

(ii) Examples.

(4) Back-up section 444 election.

(i) General rule.

(ii) Procedures for making a back-up section 444 election.

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(A) Partnership and S corporations.

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(ii) Additional extensions.

(iii) Examples.

(2) No penalty for certain late payments.

(i) In general.

(ii) Example.

(d) Effective date.

[T.D. 8205, 53 FR 19693, May 27, 1988]

§ 1.444-1T Election to use a taxable year other than the required taxable year (temporary).

(a) *General rules*—(1) *Year other than required year.* Except as otherwise provided in this section and § 1.444-2T, a partnership, S corporation, or personal service corporation (as defined in § 1.441-3(c)) may make or continue an election (a “section 444 election”) to have a taxable year other than its required taxable year. See paragraph (b) of this section for limitations on the taxable year that may be elected. See § 1.444-2T for rules that generally prohibit a partnership, S corporation, or personal service corporation that is a member of a tiered structure from making or continuing a section 444 election. See § 1.444-3T for rules explaining how and when to make a section 444 election.

(2) *Effect of section 444 election*—(i) *In general.* A partnership or S corporation that makes or continues a section 444 election shall file returns and make payments as required by §§ 1.7519-1T