

§ 1.467-9 Effective dates and automatic method changes for certain agreements.

(a) *In general.* Sections 1.467-1 through 1.467-7 are applicable for—

(1) Disqualified leasebacks and long-term agreements entered into after June 3, 1996; and

(2) Rental agreements not described in paragraph (a)(1) of this section that are entered into after May 18, 1999.

(b) *Automatic consent for certain rental agreements.* Section 1.467-8 applies only to rental agreements described in § 1.467-8.

(c) *Application of regulation project IA-292-84 to certain leasebacks and long-term agreements.* In the case of any leaseback or long-term agreement (other than a disqualified leaseback or long-term agreement) entered into after June 3, 1996, and on or before May 18, 1999, a taxpayer may choose to apply the provisions of regulation project IA-292-84 (1996-2 C.B. 462) (see § 601.601(d)(2) of this chapter).

(d) *Entered into.* For purposes of this section and § 1.467-8, a rental agreement is entered into on its agreement date (within the meaning of § 1.467-1(h)(1) and, if applicable, § 1.467-1(f)(1)(i)).

(e) *Change in method of accounting—*
(1) *In general.* For the first taxable year ending after May 18, 1999, a taxpayer is granted consent of the Commissioner to change its method of accounting for rental agreements described in paragraph (a)(2) of this section to comply with the provisions of §§ 1.467-1 through 1.467-7.

(2) *Application of regulation project IA-292-84.* For the first taxable year ending after May 18, 1999, a taxpayer is granted consent of the Commissioner to change its method of accounting for any rental agreement described in paragraph (c) of this section to comply with the provisions of regulation project IA-292-84 (1996-2 C.B. 462) (see § 601.601(d)(2) of this chapter).

(3) *Automatic change procedures.* A taxpayer changing its method of accounting in accordance with this paragraph (e) must follow the automatic change in accounting method provisions of Rev. Proc. 98-60 (see § 601.601(d)(2) of this chapter) except, for purposes of this paragraph (e), the

scope limitations in section 4.02 of Rev. Proc. 98-60 are not applicable. A method change in accordance with paragraph (e)(1) of this section is made on a cut-off basis so no adjustment under section 481(a) is required.

[T.D. 8820, 64 FR 26875, May 18, 1999]

§ 1.468A-0 Nuclear decommissioning costs; table of contents.

This section lists the paragraphs contained in §§ 1.468A-1 through 1.468A-8.

§ 1.468A-1 Nuclear decommissioning costs; general rules.

- (a) Introduction.
- (b) Definitions.
- (c) Special rules applicable to certain experimental nuclear facilities.
- (d) Special rules for electing taxpayers whose rates are under the jurisdiction of the Rural Electrification Administration.

§ 1.468A-2 Treatment of electing taxpayer.

- (a) In general.
- (b) Limitation on payments to a nuclear decommissioning fund.
 - (1) In general.
 - (2) Cost of service amount.
 - (c) Deemed payment rules.
 - (d) Treatment of distributions.
 - (1) In general.
 - (2) Exceptions to inclusion in gross income.
 - (i) Payment of administrative costs and incidental expenses.
 - (ii) Withdrawals of excess contributions.
 - (iii) Actual distributions of amounts included in gross income as deemed distributions.
 - (e) Deduction when economic performance occurs.
 - (f) Effect of interim rate orders and retroactive adjustments to such orders.
 - (1) In general.
 - (2) Special rule permitting withdrawal of excess contribution that results from retroactive adjustment to interim rate order.
 - (3) Revised schedule of ruling amounts.
 - (4) Example.

§ 1.468A-3 Ruling amount.

- (a) In general.
- (b) Level funding limitation.
- (c) Funding period.
 - (1) General rule.
 - (2) Examples.
 - (d) Decommissioning costs allocable to a fund.
 - (1) General rule.
 - (2) Total estimated cost of decommissioning.
 - (3) Taxpayer's share.
 - (4) Qualifying percentage.
 - (e) Determination of estimated dates.

§ 1.468A-1

(f) Special rules in the case of rates established or approved by two or more public utility commissions.

(g) Requirement of determination by public utility commission of decommissioning costs to be included in cost of service.

(h) Manner of requesting schedule of ruling amounts.

(1) In general.

(2) Information required.

(3) Administrative procedures.

(i) Review and revision of schedule of ruling amounts.

(1) Mandatory review.

(2) Elective review.

(3) Determination of revised schedule of ruling amounts.

(j) Special rule permitting payments to a nuclear decommissioning fund before receipt of an initial or revised ruling amount applicable to a taxable year.

§ 1.468A-4 Treatment of nuclear decommissioning fund.

(a) In general.

(b) Modified gross income.

(c) Special rules.

(1) Period for computation of modified gross income.

(2) Gain or loss upon distribution of property by a fund.

(3) Denial of credits against tax.

(4) Other corporate taxes inapplicable.

(d) Treatment as corporation for purposes of subtitle F.

§ 1.468A-5 Nuclear decommissioning fund—miscellaneous provisions.

(a) Qualification requirements.

(1) In general.

(2) Limitation on contributions.

(3) Limitation on use of fund.

(i) In general.

(ii) Definition of administrative costs and expenses.

(4) Trust provisions.

(b) Prohibitions against self-dealing.

(1) In general.

(2) Self-dealing defined.

(3) Disqualified person defined.

(c) Disqualification of nuclear decommissioning fund.

(1) In general.

(2) Exception to disqualification.

(i) In general.

(ii) Excess contribution defined.

(iii) Taxation of income attributable to an excess contribution.

(3) Effect of disqualification.

(d) Termination of nuclear decommissioning fund upon substantial completion of decommissioning.

(1) In general.

(2) Substantial completion of decommissioning defined.

26 CFR Ch. I (4-1-04 Edition)

§ 1.468A-6 Disposition of an interest in a nuclear power plant.

(a) In general.

(b) Requirements.

(c) Tax consequences.

(1) The transferor and its Fund.

(2) The transferee and its Fund.

(3) Basis.

(d) Determination of proportionate amount.

(e) Calculation of schedule of ruling amounts for dispositions described in this section.

(1) Transferor.

(2) Transferee.

(3) Example.

(f) Calculation of the qualifying percentage after dispositions described in this section.

(1) In general.

(2) Special rule.

(g) Other.

(1) Anti-abuse provision.

(2) Relief provision.

(h) Effective date.

§ 1.468A-7 Manner of and time for making election.

(a) In general.

(b) Required information.

§ 1.468A-8 Effective date and transitional rules.

(a) Effective date.

(1) In general.

(2) Cut-off method applicable to electing taxpayers.

(b) Transitional rules.

(1) Time for filing request for schedule of ruling amounts.

(2) Manner of and time for making contributions to a nuclear decommissioning fund.

(3) Manner of and time for making election.

(4) Determination of cost of service limitation.

(5) Assumptions and determinations to be used in determining ruling amounts.

(6) Exception to level funding limitation.

(7) Determination of qualifying percentage.

(8) Limitation on payments to a nuclear decommissioning fund.

(9) Denial of interest on overpayment.

(10) Determination of addition to tax for failure to pay estimated tax.

(11) Nuclear decommissioning fund qualification requirements.

[T.D. 8184, 53 FR 6804, Mar. 3, 1988, as amended by T.D. 8461, 57 FR 62199, Dec. 30, 1992; T.D. 8580, 59 FR 66473, Dec. 27, 1994]

§ 1.468A-1 Nuclear decommissioning costs; general rules.

(a) *Introduction.* Section 468A provides an elective method for taking into account nuclear decommissioning