

the refined oil is not sold for use or consumption in country B. Likewise, the extraction exception under paragraph (a)(1)(i) of this section does not apply. The purchased product cannot be presumed to be extracted in country B since country B is not a net exporter of crude oil. In addition, M cannot show, on a facts and circumstances basis, that purchased products were refined from crude oil extracted in country B.

(B) *Products refined by M.* With regard to M's marketing income attributable to the sale of products refined by M, M does not have any foreign base company oil related income with regard to its \$150x of marketing income in country A since that income was derived from the country in which the oil was sold for consumption (the use or consumption exception under paragraph (a)(1)(ii) of this section). M has \$25x of foreign base company oil related income with regard to its \$50x of marketing income in country B determined as follows:

- (1) Total amount of income from marketing attributable to oil refined by M and sold in country B\$50x
- (2) Pro rata amount of income from marketing attributable to sales in country B considered extracted from country B (\$50x times 100x barrels/200x barrels) (extraction exception under paragraph (a)(1)(i) of this section).....(25x)
- (3) Foreign base company oil related income.....\$25x

[T.D. 8331, 56 FR 2847, Jan. 25, 1991; 56 FR 11511, Mar. 19, 1991]

§ 1.955-0 Effective dates.

(a) *Section 955 as in effect before the enactment of the Tax Reduction Act of 1975—(1) In general.* In general, §§1.955-1 through 1.955-6 are applicable with respect to withdrawals of previously excluded subpart F income from qualified investment in less developed countries for taxable years of foreign corporations beginning after December 31, 1962, and to taxable years of United States shareholders (as defined in section 951(b)) within which or with which such taxable years of such foreign corporations end. However, such sections are effective with respect to withdrawals of amounts invested in less developed country shipping companies described in section 955(c)(2) (as in effect before the enactment of the Tax Reduction Act of 1975) only for taxable years of foreign corporations beginning before January 1, 1976, and for taxable years of United States shareholders (as defined in section 951(b)) within which or

with which such taxable years of such foreign corporations end. For rules applicable to withdrawals of amounts invested in less developed country shipping companies described in section 955(c)(2) (as in effect before such enactment), in taxable years of foreign corporations beginning after December 31, 1975, see section 955(b)(5) (as amended by such Act) and §§1.955A-1 through 1.955A-4.

(2) *References.* Except as otherwise provided therein, all references contained in §§1.955-1 through 1.955-6 to section 954 or 955 or to the regulations under section 954 are to those sections and regulations as in effect before the enactment of the Tax Reduction Act of 1975. For regulations under section 954 (as in effect before such enactment), see 26 CFR §1.954-1 through 1.954-5 (Revised as of April 1, 1975). For taxable years of foreign corporations beginning after December 31, 1975, and for taxable years of United States shareholders (as described in section 951(b)) within which or with which such taxable years of such foreign corporations end, the definitions of less developed countries and less developed country corporations contained in section 902(d) (as amended by such Act) and §1.902-2 apply for purposes of determining the credit for corporate stockholders in foreign corporations under section 902.

(b) *Section 955 as amended by the Tax Reduction Act of 1975.* Except as otherwise provided therein, §§1.955A-1 through 1.955A-4 are applicable to taxable years of foreign corporations beginning after December 31, 1975, and to taxable years of United States shareholders (as defined in section 951(b)) within which or with which such taxable years of such foreign corporations end.

[T.D. 7893, 48 FR 22508, May 19, 1983, as amended by T.D. 7894, 48 FR 22529, May 19, 1983]

§ 1.955-1 Shareholder's pro rata share of amount of previously excluded subpart F income withdrawn from investment in less developed countries.

(a) *In general.* Pursuant to section 951(a)(1)(A)(ii) and the regulations