

has attached such information to its income tax return, amended return, or claim for refund filed with the same service center for the taxable year including such date.

(c) *Amendment of plan.* An apportionment plan adopted with respect to a December 31 by a controlled group of corporations may be amended with respect to such December 31, or with respect to any succeeding December 31 for which the plan is effective under paragraph (a)(3) of this section. An apportionment plan must be amended with respect to a particular December 31 and the amendments to the plan shall be effective only if adopted in accordance with the rules prescribed in this section for the adoption of an original plan with respect to such December 31.

(d) *Component members filing consolidated returns.* If the component members of a controlled group of corporations on a December 31 include corporations which join in the filing of a consolidated return, the corporations filing the consolidated return shall be treated as a single component member for purposes of this section. Thus, for example, only one consent, executed by the common parent, to an apportionment plan filed pursuant to this section is required on behalf of the component members filing the consolidated return.

[T.D. 7528, 42 FR 64697, Dec. 28, 1977; 43 FR 4603, Feb. 3, 1978]

§ 1.1562-0 Effective date.

The provisions of §§ 1.1562-1 through 1.1562-7 apply only to taxable years beginning before January 1, 1975.

(Secs. 1561(a), (83 Stat. 599; 26 U.S.C. 1561 (a)) and 7805 (68A Stat. 917; 26 U.S.C. 7805, of the Internal Revenue Code))

[T.D. 7528, 42 FR 64702, Dec. 28, 1977]

§ 1.1562-1 Privilege of controlled group to elect multiple surtax exemptions.

(a) *Election—(1) In general.* (i) Under section 1562(a)(1) a controlled group of corporations has the privilege of electing to have each of its component members make its returns without regard to section 1561 (relating to single surtax exemption in the case of a con-

trolled group of corporations). The election shall be made with respect to a particular December 31 and shall be valid only if each corporation which is required to consent to the election under the provisions of paragraph (a)(1) of § 1.1562-3 gives its consent in the manner and within the time prescribed in such section. An election shall not be considered as made with respect to a particular December 31 until each corporation which is required to consent to the election under paragraph (c)(1) of § 1.1562-3 files the original of a statement described in such paragraph (or, the original of a statement incorporating its consent is filed on its behalf). Accordingly, for purposes of returns filed before an election is made, the surtax exemption of component members of a controlled group of corporations shall be determined in accordance with section 1561 and the regulations thereunder. (If a valid election is made after the return is filed and within the time prescribed in § 1.1562-3, such return should be amended (or a claim for refund should be made) to reflect the change in the amount of the surtax exemption (and the imposition of the additional tax) resulting from the election.)

(ii) An election once made with respect to a particular December 31 may not thereafter be withdrawn unless such election is terminated with respect to such December 31 in accordance with the provisions of section 1562(c) and § 1.1562-2.

(iii) An election under section 1562(a)(1) may be made by a controlled group of corporations with respect to any December 31 (after December 31, 1962), unless:

(a) A component member of such group on such December 31 joins, or is required to join, in the filing of a consolidated return for its taxable year which includes such date, or

(b) Such controlled group is not eligible to make an election with respect to such December 31 by reason of section 1562(d).

See also section 243(b)(3)(A), relating to effect of election of 100-percent dividends received deduction, which may prevent a controlled group from making an election under section 1562(a)(1)