

considered to occur on the date the termination is made, and (ii) the termination of an election under section 1562(c) (2), (3), or (4) shall be considered to occur on the date the event causing termination occurs (for example, on the date a new member files a refusal to consent, or on the date a consolidated return is filed) unless the election is made after such date, in which case the termination shall be considered to occur on the date the election is made.

(d) *Manner of consenting.* A consent referred to in paragraph (b)(3) or (c) of this section shall be made by means of a statement, signed by any person who is duly authorized to act on behalf of the consenting corporation, stating that such corporation consents to the application of an election under section 1562(a)(1) with respect to its short period. Each such statement shall set forth the name, address, taxpayer account number, and taxable year of (1) each corporation which is a component member of the electing controlled group with respect to a short period falling between the preceding December 31 and the succeeding December 31, and (2) each corporation which is a component member of such group on either the preceding or succeeding December 31. Each consenting corporation shall file such statement with the district director with whom it files (or filed) its income tax return for the short period.

[T.D. 6845, 30 FR 9749, Aug. 5, 1965]

**§ 1.1562-7 Extension of statutory periods of limitation.**

(a)(1) Under section 1562(g)(1), the statutory period for assessment of any deficiency against a corporation which is a component member of a controlled group of corporations with respect to any taxable year, to the extent such deficiency is attributable to an election under section 1562(a)(1) or a termination by consent under section 1562(c)(1), shall not expire before the expiration of one year after the date such election or termination is made.

(2) Under section 1562(g)(2), the statutory period for allowing or making credit or refund of any overpayment of tax by a corporation which is a component member of a controlled group of

corporations with respect to any taxable year, to the extent such overpayment is attributable to an election under section 1562(a)(1) or a termination by consent under section 1562(c)(1), shall not expire before the expiration of one year after the date such election or termination is made.

(b) For purposes of this section, the deficiency or overpayment in tax attributable to an election under section 1562(a)(1) or a termination by consent under section 1562(c)(1) shall be that amount of the increase or decrease in tax over the amount previously determined (as defined in section 1314(a)) for any taxable year which results from the application or nonapplication of section 1562, as the case may be. In determining the amount of such increase or decrease, due regard shall be given to the effect of any change in the amount of the surtax exemption (or the application or nonapplication of the additional tax under section 1562(b)) on credits allowable for any taxable year. Thus, for example, as a result of such change it may be necessary to recompute the amount of the investment credit allowable under section 38 for a taxable year for which the election or termination is effective and for other taxable years affected, or treated as affected, by an investment credit carryback or carryover (as defined in section 46(b)) determined with reference to the taxable years with respect to which such election or termination is effective.

(c) The provisions of this section shall not be construed to:

(1) Shorten the period within which an assessment of a deficiency may otherwise be made or the credit or refund of an overpayment may otherwise be allowed or made, or

(2) Apply to a deficiency or overpayment for a taxable year if the tax liability for such taxable year has been compromised under section 7122, or is the subject of a closing agreement under section 7121.

[T.D. 6845, 30 FR 9750, Aug. 5, 1965]

**§ 1.1563-1 Definition of controlled group of corporations and component members.**

(a) *Controlled group of corporations—*  
(1) *In general.* For purposes of sections