

## § 1.1502-80T

T succeeds to S's \$30 basis in the assets transferred subject to the \$40 liability. Similarly, if S instead transferred its assets and liabilities to a newly formed subsidiary in a transaction to which section 351 applies, section 357(c) does not apply and S's basis in the subsidiary's stock is a \$10 excess loss account. This paragraph (d) does not apply to a transaction if the transferor or transferee becomes a nonmember as part of the same plan or arrangement. The transferor (or transferee) is treated as becoming a nonmember once it is no longer a member of a consolidated group that includes the transferee (or transferor). For purposes of this paragraph (d), any reference to a transferor or transferee includes, as the context may require, a reference to a successor or predecessor.

(2) *Prior period transactions.* If, in a tax year beginning before January 1, 1995, a member's stock with an excess loss account is transferred in a transaction to which §1.1502-13, §1.1502-13T, §1.1502-14, or §1.1502-14T applies, paragraph (d)(1) of this section applies to the stock transfer to the extent that the income, gain, deduction, or loss (if any) is not taken into account in a tax year beginning before January 1, 1995. For example, if P, S, and T, are members of a consolidated group, T's stock has an excess loss account, and P transfers the T stock to S in 1993 in a transaction to which section 351 and §1.1502-13 apply, section 357(c) applies to the transfer only to the extent P's gain is taken into account in tax years beginning before January 1, 1995.

(e) *Non-applicability of section 163(e)(5).* Section 163(e)(5) does not apply to any intercompany obligation (within the meaning of §1.1502-13(g)) issued in a consolidated return year beginning on or after July 12, 1995.

(f) *Non-applicability of section 1031.* Section 1031 does not apply to any intercompany transaction occurring in consolidated return years beginning on or after July 12, 1995.

[T.D. 8402, 57 FR 9385, Mar. 18, 1992, as amended by T.D. 8560, 59 FR 41703, Aug. 15, 1994; T.D. 8597, 60 FR 36710, July 18, 1995; T.D. 8677, 61 FR 33325, June 27, 1996; T.D. 8597, 62 FR 12098, Mar. 14, 1997; T.D. 9048, 68 FR 12291, Mar. 14, 2003; T.D. 9118, 69 FR 12801, Mar. 18, 2004]

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

### § 1.1502-80T Applicability of other provisions of law (temporary).

(a) and (b) [Reserved]. For further guidance, see §1.1502-80(a) and (b).

(c) *Deferral of section 165.* Stock of a member is not treated as worthless under section 165 before the stock is treated as disposed of under the principles of §1.1502-19(c)(1)(iii). If stock of a member would otherwise be treated as worthless under the principles of section 165, then, notwithstanding the previous sentence, such stock may be treated as worthless under section 165 immediately prior to the time such member ceases to be a member of the group. See §§1.1502-11(c) and 1.1502-35T for additional rules relating to stock loss. This paragraph (c) applies to taxable years beginning after March 18, 2004 and before March 19, 2007. Taxpayers, however, may apply this paragraph (c) to taxable years beginning on or after January 1, 1995 and before March 18, 2004; otherwise, paragraph (c) of §1.1502-80 as contained in 26 CFR part 1 edition revised as of April 1, 2003, shall apply to taxable years beginning on or after January 1, 1995, and on or before March 18, 2004.

(d) through (f) [Reserved]. For further guidance, see §1.1502-80(d) through (f).

[T.D. 9118, 69 FR 12801, Mar. 18, 2004]

### § 1.1502-81T Alaska Native Corporations.

(a) *General Rule.* The application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the Tax Reform Act of 1986 (relating to Native Corporations established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*)) is limited to the use on a consolidated return of losses and credits of a Native Corporation, and of a corporation all of whose stock is owned directly by a Native Corporation, during any taxable year (beginning after the effective date of such sections and before 1992), or any part thereof, against the income and tax liability of a corporation affiliated with the Native Corporation. Thus, no other tax saving, tax benefit, or tax loss is intended to result from the application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the

Tax Reform Act of 1986 to any person (whether or not such person is a member of an affiliated group of which a Native Corporation is the common parent). In particular, except as approved by the Secretary, no positive adjustment under §1.1502-32(b) will be made with respect to the basis of stock of a corporation that is affiliated with a Native Corporation through application of section 60(b)(5) of the Tax Reform Act of 1984 and section 1804(e)(4) of the Tax Reform Act of 1986.

(b) *Effective Dates.* This section applies to taxable years beginning after December 31, 1984.

[T.D. 8130, 52 FR 8448, Mar. 18, 1987, as amended by T.D. 8560, 59 FR 41675, Aug. 15, 1994]

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