§ 1.1561–0 Certain controlled corporations

Subchapter B of chapter 6 of the Internal Revenue Code (Code) (part II) provides rules to limit the amounts of certain specified tax benefit items of component members of a controlled group of corporations for their tax years which include a particular December 31st date, or, in the case of a short taxable year member (see section 1561(b) and §1.1561–2(e)), the date substituted for that December 31st date. The amount of the tax items enumerated in section 1561(a) available to any of the component members of a controlled group shall be determined for purposes of subtitle A of the Code as if the component members were a single corporation. Certain other tax items also set forth in section 1561(a) (for example, the additional tax imposed by section 11(b)(1) and the section 55(d)(3) phase out of the alternative minimum tax exemption amount) will be determined by combining the positive taxable income or positive alternative minimum taxable income of the component members of such a group and then allocating the amount of such items among those members.

§ 1.1561–1 General rules regarding certain tax benefits available to the component members of a controlled group of corporations.

(a) In general—(1) Limitation. The amount of the tax items enumerated in section 1561(a) available to any of the component members of a controlled group shall be determined for purposes of subtitle A of the Code as if the component members were a single corporation. Certain other tax items also set forth in section 1561(a) (for example, the additional tax imposed by section 11(b)(1) and the section 55(d)(3) phase out of the alternative minimum tax exemption amount) will be determined by combining the positive taxable income or positive alternative minimum taxable income of the component members of such a group and then allocating the amount of such items among those members.

(b) Definitions. For certain definitions (including the definition of a controlled group of corporations and a component member) and special rules for purposes of this part II see section 1563.

§ 1.1561–2 Special rules for allocating reductions of certain Section 1561(a) tax-benefit items.

(a) Additional tax. The additional tax imposed by section 11(b)(1) and the section 55(d)(3) phase out of the alternative minimum tax exemption amount will be determined by combining the positive taxable income or positive alternative minimum taxable income of the component members of such a group and then allocating the amount of such items among those members.

§ 1.1561–3 Allocation of the section 1561(a) tax items.

(a) Piling of form. 

(1) In general.

(2) Exception for component members that are members of a consolidated group.

(b) No apportionment plan in effect.

(c) Apportionment plan in effect.

(1) Adoption of plan.

(2) Limitation on adopting a plan.

(3) Termination of plan.

(d) Effective/applicability date.