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2006 separate category for passive category income.

(4) Elimination of certain separate limitation loss accounts. After application of paragraphs (h)(1) through (h)(3) of this section, any separate limitation loss account allocated to the post-2006 separate category for passive category income for which income is to be recaptured as passive category income, as determined under those same provisions, shall be eliminated. Similarly, after application of paragraphs (h)(1) through (h)(3) of this section, any separate limitation loss account allocated to the post-2006 separate category for general category income for which income is to be recaptured as general category income, as determined under those same provisions, shall be eliminated.

(5) Alternative method. In lieu of applying the rules of paragraphs (h)(1) through (h)(3) of this section, a taxpayer may apply the principles of paragraphs (g)(1) and (g)(2) of this section to determine recapture in taxable years beginning after December 31, 2006, of separate limitation losses and overall foreign losses incurred in taxable years beginning before January 1, 2007.

(6) Effective/applicability date. This paragraph (h) shall apply to taxable years of United States taxpayers beginning after December 31, 2006 and ending on or after December 21, 2007.

(7) Expiration date. The applicability of this paragraph (h) expires on December 20, 2010.

[T.D. 9368, 71 FR 72599, Dec. 21, 2007]

§ 1.904(g)–0T Outline of regulation provisions (temporary).

This section lists the headings for §§1.904(g)–1T through 1.904(g)–3T.

§ 1.904(g)–1T Overall domestic loss and the overall domestic loss account (temporary).

(a) Overview of regulations.
(b) Overall domestic loss accounts.
(1) In general.
(2) Pre-recapture reduction for amounts allocated to other taxpayers.
(3) Reduction for amounts recaptured.

§ 1.904(g)–2T Recapture of overall domestic losses (temporary).

(a) In general.
(b) Step One: Allocation of net operating losses and capital losses.
(1) In general.
(2) Full net operating loss carryover.
(3) Partial net operating loss carryover.

(c) Determination of a taxpayer’s overall domestic loss.
(1) Overall domestic loss defined.
(2) Domestic loss defined.
(3) Qualified taxable year defined.
(4) Method of allocation and apportionment of deductions.
(d) Additions to overall domestic loss accounts.
(1) General rule.
(2) Overall domestic loss of another taxpayer.
(3) Adjustments for capital gains and losses.
(e) Reductions of overall domestic loss accounts.
(1) Pre-recapture reduction for amounts allocated to other taxpayers.
(2) Reduction for amounts recaptured.
(f) Effective/applicability date.
(g) Expiration date.

§ 1.904(g)–3T Ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and for recapture of separate limitation losses, overall foreign losses, and overall domestic losses. [Reserved] For further guidance, see the entries for §1.904(g)–3T in §1.904(g)–0T.

[T.D. 9371, 72 FR 72599, Dec. 21, 2007]