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

[Reserved] For further guidance, see the entries for § 1.904(g)–2T in § 1.904(g)–0T.

§ 1.904(g)–3 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]

§ 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) Taxable year in which overall domestic loss is sustained.
(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.

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

(a) In general.
(b) Step One: Allocation of net operating loss and net capital loss carryovers.
(1) In general.
(2) Full net operating loss carryover.
(3) Partial net operating loss carryover.
(4) Net capital loss carryovers.
(c) Step Two: Allocation of separate limitation losses.
(d) Step Three: Allocation of U.S. source losses.
(e) Step Four: Recapture of overall foreign loss accounts.
(f) Step Five: Recapture of separate limitation loss accounts.
(g) Step Six: Recapture of overall domestic loss accounts.
(h) Examples.
(i) Effective/applicability date.
(j) Expiration date.

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

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

[Reserved] For further guidance, see § 1.904(g)–1T.

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

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

(a) Overview of regulations. This section provides rules for determining a taxpayer’s overall domestic losses, for establishing overall domestic loss accounts, and for making additions to and reductions from such accounts for purposes of section 904(g). Section 1.904(g)–2T provides rules for recapturing the balance in any overall domestic loss account under the general recharacterization rule of section 904(g)(1). Section 1.904(g)–3T provides ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and the recapture of separate limitation losses, overall foreign losses and overall domestic losses.

(1) In general. Any taxpayer that sustains an overall domestic loss under paragraph (c) of this section must establish an account for such loss. Separate overall domestic loss accounts must be maintained with respect to each separate category in which foreign source income is offset by the domestic loss. The balance in each overall domestic loss account represents the amount of such overall domestic loss subject to recapture in a given year. From year to