with the provisions of §§1.467–1 through 1.467–7.

(2) Application of regulation project IA–292–84. For the first taxable year ending after May 18, 1999, a taxpayer is granted consent of the Commissioner to change its method of accounting for any rental agreement described in paragraph (c) of this section to comply with the provisions of regulation project IA–292–84 (1996–2 C.B. 462) (see §601.601(d)(2) of this chapter).

(3) Automatic change procedures. A taxpayer changing its method of accounting in accordance with this paragraph (e) must follow the automatic change in accounting method provisions of Rev. Proc. 98-60 (see §601.601(d)(2) of this chapter) except, for purposes of this paragraph (e), the scope limitations in section 4.02 of Rev. Proc. 98–60 are not applicable. A method change in accordance with paragraph (e)(1) of this section is made on a cut-off basis so no adjustment under section 481(a) is required.

[T.D. 8820, 64 FR 26875, May 18, 1999]

§ 1.468A–0 Nuclear decommissioning costs; table of contents.

This section lists the paragraphs contained in §§1.468A–1 through 1.468A–9.

§ 1.468A–1 Nuclear decommissioning costs; general rules.

(a) Introduction.
(b) Definitions.
(c) Special rules applicable to certain experimental nuclear facilities.

§ 1.468A–2 Treatment of electing taxpayer.

(a) In general.
(b) Limitation on payments to a nuclear decommissioning fund.
   (1) In general.
   (2) Excess contributions not deductible.
   (c) Deemed payment rules.
      (1) In general.
      (2) Cash payment by customer.
      (d) Treatment of distributions.
         (1) In general.
         (2) Exceptions to inclusion in gross income.
         (i) Payment of administrative costs and incidental expenses.
         (ii) Withdrawals of excess contributions.
         (iii) Actual distributions of amounts included in gross income as deemed distributions.
      (e) Deduction when economic performance occurs.

§ 1.468A–3 Ruling amount.

(a) In general.
(b) Level funding limitation.
(c) Funding period.
(d) Decommissioning costs allocable to a fund.
   (1) General rule.
   (2) Total estimated cost of decommissioning.
   (3) Taxpayer’s share.
   (e) Manner of requesting schedule of ruling amounts.
      (1) In general.
      (2) Information required.
      (3) Administrative procedures.
      (f) Review and revision of schedule of ruling amounts.
         (1) Mandatory review.
         (2) Elective review.
         (3) Determination of revised schedule of ruling amounts.
      (g) Special rule permitting payments to a nuclear decommissioning fund before receipt of an initial or revised ruling amount applicable to a taxable year.

§ 1.468A–4 Treatment of nuclear decommissioning fund.

(a) In general.
(b) Modified gross income.
(c) Special rules.
   (1) Period for computation of modified gross income.
   (2) Gain or loss upon distribution of property by a fund.
   (3) Denial of credits against tax.
   (4) Other corporate taxes inapplicable.
   (d) Treatment as corporation for purposes of subtitle F.

§ 1.468A–5 Nuclear decommissioning fund—miscellaneous provisions.

(a) Qualification requirements.
   (1) In general.
   (2) Limitation on contributions.
   (3) Limitation on use of fund.
   (i) In general.
   (ii) Definition of administrative costs and expenses.
   (iii) Withholds of excess contributions.
   (d) Disqualification of nuclear decommissioning fund.
      (1) In general.
      (2) Self-dealing defined.
      (3) Disqualified person defined.
      (c) Disqualification of nuclear decommissioning fund.
         (1) In general.
         (2) Exception to disqualification.
         (i) In general.
         (ii) Excess contribution defined.
         (iii) Taxation of income attributable to an excess contribution.
         (c) Taxation of income attributable to an excess contribution.
         (3) Effect of disqualification.
         (4) Further effects of disqualification.
§ 1.468A–1 Nuclear decommissioning costs; general rules.

(a) Introduction. Section 468A provides an elective method for taking into account nuclear decommissioning costs for Federal income tax purposes. In general, an eligible taxpayer that elects the application of section 468A pursuant to the rules contained in §1.468A–7 is allowed a deduction (as determined under §1.468A–2) for the taxable year in which the taxpayer makes a cash payment to a nuclear decommissioning fund. Taxpayers using an accrual method of accounting that do not elect the application of section 468A are not allowed a deduction for nuclear decommissioning costs prior to the taxable year in which economic performance occurs with respect to such costs (see section 461(h)).

(b) Definitions. The following terms are defined for purposes of section 468A and §§1.468A–1 through 1.468A–9:

(1) The term eligible taxpayer means any taxpayer that possesses a qualifying interest in a nuclear power plant (including a nuclear power plant that is under construction).

(2) The term qualifying interest means—

(i) A direct ownership interest; and

(ii) A leasehold interest in any portion of a nuclear power plant if—

(A) The holder of the leasehold interest is primarily liable under Federal or State law for decommissioning such portion of the nuclear power plant; and

(B) No other person establishes a nuclear decommissioning fund with respect to such portion of the nuclear power plant.

(3) The term direct ownership interest includes an interest held as a tenant in