

Public Law 91-688

AN ACT

January 12, 1971
[H. R. 19881]

Relating to consolidated returns of life insurance companies, and for other purposes.

Tax returns.
Life insurance
companies.
73 Stat. 133.
26 USC 818.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 818 of the Internal Revenue Code of 1954 (relating to life insurance company accounting provisions) is amended by adding at the end thereof the following new subsection:

“(g) COMPUTATION ON CONSOLIDATED RETURNS OF POLICYHOLDERS’ SHARE OF INVESTMENT YIELD.—For purposes of this part, in the case of a life insurance company filing or required to file a consolidated return under section 1501 for a taxable year, the computations of the policyholders’ share of investment yield under subparts B and C (including all determinations and computations incident thereto) shall be made as if such company were not filing a consolidated return.”

(b) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1957.

SEC. 2. (a) If—

(1) any insurance company subject to taxation under section 802 of the Internal Revenue Code of 1954 filed a consolidated return under section 1501 of such Code for any taxable year beginning after December 31, 1957, and ending before March 13, 1969, and

(2) not later than one year after the date of the enactment of this Act—

(A) such company elects (in such manner as the Secretary of the Treasury or his delegate may prescribe) to have this section apply,

(B) such company files consents to the application of this section of all companies which at any time during any taxable year beginning after December 31, 1957, and ending before March 13, 1969, were members of the same affiliated group as such company, and

(C) such company (and each company referred to in subparagraph (B)) files a separate return for the first taxable year beginning after December 31, 1957, for which such company filed a consolidated return and for each taxable year thereafter ending before the date of the enactment of this Act,

then notwithstanding any law or rule of law the requirement of filing a consolidated return shall be replaced by a requirement of separate returns for each company referred to in paragraph (2) (C) for each taxable year to which paragraph (2) (C) applies with respect to such company. Paragraph (2) (C) shall not apply with respect to any company for any taxable year the allowance of a credit for which is barred on the date of the enactment of this Act by res judicata or through the operation of section 7121 or section 7122 of the Internal Revenue Code of 1954.

(b) If the making or allowance of any refund or credit, or the assessment of any deficiency, of income tax for any taxable year to which subsection (a) (2) (C) applies is prevented before the expiration of 2 years after the date of the enactment of this Act by any law or rule of law (other than sections 7121 and 7122 of such Code and other than res judicata), such refund or credit may nevertheless be made or allowed, and such deficiency may nevertheless be assessed,

68A Stat. 849.
Refund or credit
allowance.

68A Stat. 367.

73 Stat. 115.

at any time before the expiration of such 2-year period, but only to the extent that the overpayment or deficiency is attributable to an election made under this section. No interest shall be allowed on any credit or refund described in the preceding sentence, and no interest shall be assessed with respect to any deficiency described in the preceding sentence, for any period before the day which is one year after the date of the enactment of this Act.

SEC. 3. (a) For purposes of applying section 1212(a) of the Internal Revenue Code of 1954 (as amended by section 512 of the Tax Reform Act of 1969) in the case of a corporation which makes an election under subsection (b), any net capital loss sustained in a taxable year beginning after December 31, 1969, may not be carried back to any taxable year beginning before January 1, 1970, for which it was subject to taxation under section 802 of such Code, if the carry-back of such loss would result in an increase in such corporation's income tax liability for any such taxable year.

(b) An election to have the provisions of subsection (a) apply shall be made by a corporation—

(1) in such form and manner as the Secretary of the Treasury or his delegate may prescribe, and

(2) not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for the first taxable year beginning after December 31, 1969, in which such corporation sustains a net capital loss.

(c) The Secretary of the Treasury or his delegate shall prescribe such regulations as he determines necessary to carry out the purposes of this section.

Approved January 12, 1971.

Capital loss
carryover, corpo-
rations.
83 Stat. 638.
26 USC 1212.

73 Stat. 115.

Regulations.

Public Law 91-689

AN ACT

To suspend the duties on certain bicycle parts and accessories until the close of December 31, 1973.

January 12, 1971
[H. R. 19670]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to title I of the Tariff Act of 1930 (Tariff Schedules of the United States; 28 F.R., pt. II, Aug. 17, 1963; 77A Stat.; 19 U.S.C. 1202) is amended as follows:

Bicycle parts.
Duty suspen-
sion.

77A Stat. 434.
80 Stat. 71.

Immediately preceding item 915.25 insert the following new items:

"912.05	Generator lighting sets for bicycles (provided for in item 653.39, part 3F, schedule 6).....	Free	No change	On or before 12/31/73.
912.10	Derailleurs, caliper brakes, drum brakes, three-speed hubs incorporating coaster brakes, three-speed hubs not incorporating coaster brakes, click twist grips, click stick levers, multiple freewheel sprockets (provided for in item 732.36, part 5C, schedule 7).....	Free	No change	On or before 12/31/73.

SEC. 2. The amendments made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

Approved January 12, 1971.