

FEDERAL
TAX REGULATIONS
1990

IN FORCE JANUARY 1, 1990

FEB 21 1990

Kept To Date

Through

U. S. Code Congressional and
Administrative News

Volume 4

ST. PAUL, MINN.
WEST PUBLISHING CO.

CHINA TRADE ACT CORPORATIONS—Cont'd

Income tax—Cont'd
 Returns, due date postponed, § 1.6072-3
 Special deductions, § 1.941-1
 Withholding tax, § 1.943-1
 Organized under, dividends, credit or exclusion, income tax, § 1.34-3

CHRISTIAN SCIENCE PRACTITIONERS

Income tax, self-employment income,
 Application for exemption, § 1.1402(e)-2A et seq.
 Election for coverage, §§ 1.1402(c)-6, 1.1402(e)(1)-1

CHURCHES

Income tax,
 Charitable deductions, individuals, § 1.170-2
 Inquiries and examinations, § 301.7611-1
 Pension, profit sharing, stock bonus and annuity plans, election to have participation, vesting and funding provisions apply, § 1.410(d)-1

CIGARS AND CIGARETTES

Tobacco, generally, this index

CIRCULATION EXPENDITURES

Income tax deductions, § 1.173-1

CITRUS GROVES

Income tax, deduction, capital expenditures, incurred in planting and developing, § 1.278-1

CIVIC ORGANIZATIONS

Income tax, exempt, organizations, § 1.501(c)(4)-1

CLAIM OF RIGHT

Income tax, restoration of amounts received or accrued, § 1.1341-1

CLAIMS

Generally, § 601.324
 Refunds and Credits, generally, this index

CLASS LIFE SYSTEMS

Income tax, depreciation,
 Property placed in service after December 31, 1970, §§ 1.167(m)-1, 1.167(a)-11
 Property placed in service before January 1, 1971, § 1.167(a)-12

CLASS YEAR PLANS

Income tax, pension, profit sharing, stock bonus and annuity plans, § 1.411(d)-3

CLASSIFICATION OF TAXES

Principal divisions, § 601.102

CLASSIFICATION TEST

Income tax, pension, profit sharing, stock bonus and annuity plans, § 1.410(b)-1

CLAY

Income tax, determination of gross income, § 1.9004-1 et seq.
 Refractory products production, income tax, § 1.9005-1 et seq.

CLEARING LAND

Farmers expenditures, income tax, election to deduct or capitalize, § 1.263(a)-3

CLEARING LAND EXPENDITURES

Farmers, income tax deduction, § 1.182-1 et seq.

CLERGYMEN

Income Tax, this index
 Withholding income tax at source, § 31.3401(a)(9)-1

CLIENT OR CUSTOMER

Travel, entertainment and gift expenses, reporting and substantiation of persons other than employees, § 1.274-5

CLOSELY HELD BUSINESS

Estate tax,
 Extension of time for payment, § 301.6166-1
 Special lien, election, § 301.6324A-1

CLOSING AGREEMENTS

Generally, § 301.7121-1
 Rulings, etc., § 601.202

CLUB DUES

Accounting, § 301.7512-1

COAL

Income tax, gain or loss on disposal with retained economic interest, § 1.631-3
 Leases, bonus or advanced royalty, recomputation, § 601.201

COAL MINES

Certified safety equipment, amortization, §§ 1.187-1, 1.187-2

COCONUT OIL

Special rules, § 301.6417-1

COIN OPERATED GAMING DEVICES

Excise taxes, collection by revenue stamp, § 601.404
 Seizure, disposal, § 403.65

COIN-OPERATED DEVICES

Income tax, credit for investment, § 1.48-1

COLLAPSIBLE CORPORATIONS

Defined, § 1.341-2
 Income tax,
 Application of section, § 1.341-5
 Complete liquidation, § 1.341-1
 Definitions, § 1.341-2
 Determination, § 1.341-5
 Disposition of stock, consenting corporations, § 1.341-7
 Limitations on gain, § 1.341-4
 Liquidations, exceptions, application of section, § 1.341-6
 Partial liquidation, § 1.341-1
 Presumptions, § 1.341-3
 Section 341 assets defined, § 1.341-2
 70-percent rule, § 1.341-4
 Stock ownership rules, limitations, § 1.341-4
 Stock sales, consenting corporations, § 1.341-7
 Three-year rule, § 1.341-4

COLLECTION

Delinquent court ordered child support obligations, treasury department, powers and duties, § 301.6305-1
 Foreign items, licenses, § 301.7231-1

COLLECTION OF TAX

Civil action, § 301.7401-1
 Collection authority, § 301.6301-1
 Collection functions, § 601.104
 Commercial banks, use, § 301.6302-1
 Demand for tax, § 301.6303-1
 Distilled spirits, § 601.302

INCOME TAX—Cont'd

Charitable organizations—Cont'd
 Payments on behalf of persons rendering services, § 1.61-2
 Returns, § 1.6012-2
 Child care services, necessary for gainful employment, credit against tax, § 1.44A-1 et seq.
 Children,
 Alimony trust designated for support of minor children, § 1.682(a)-1
 Services, gross income, § 1.73-1
 China Trade Act Corporations, this index
 Christian Science practitioner,
 Application for exemption, self-employment tax, § 1.1402(e)-2A et seq.
 Election for self employment coverage, § 1.1402(e)(1)-1
 Citizens becoming nonresident aliens, § 1.871-13
 Citizens of United States residing or traveling abroad, extension of time for filing returns, § 1.6081-2
 Claim of right, restoration of amounts received, § 1.1341-1
 Claims for refunds, § 301.6402-3
 Class year plans, pension, profit sharing, stock bonus and annuity plans, § 1.411(d)-3
 Classes of gross income, § 1.861-8
 Classification of recipients, annuities, endowment and life insurance contracts, § 1.72-1
 Classification test, pension, profit sharing, stock bonus and annuity plans, § 1.410(b)-1
 Clay, brick, tile and fire clay, § 1.9004-1 et seq.
 Clay and quartzite used in production of refractory products, § 1.9005-1 et seq.
 Clergymen, contributions received for services, § 1.61-2
 Clinical tests, credits against tax, drugs for rare diseases, §§ 1.38-0, 1.38-1
 Coal,
 Deductions,
 Disallowed in connection with disposal, § 1.1016-5
 Expenditures relating to disposal, § 1.272-1
 Sale or exchange with retained economic interest, gain or loss, § 1.631-3
 Coal mine safety equipment, amortization, §§ 1.187-1, 1.187-2
 Coast and Geodetic Survey personnel, subsistence and uniform allowances, § 1.61-2
 Coin-operated machines, definition of section 38 property, credit for investment, § 1.48-1
 Collapsible Corporations, this index
 Collection of tax,
 Mode or time, § 301.6302-1
 Overstated deposit claims, penalties, § 301.6656-2
 Qualified state individual income taxes, § 1.6361-1
 Use of government depositaries, § 1.6302-1 et seq.
 Collection of tax at source on wages. Employment Taxes, generally, this index
 Commissions, computation of taxable income, § 1.61-2
 Commodity Credit Corporation loans, §§ 1.77-1, 1.77-2
 Commodity futures, § 1.1233-1
 Common nontaxable exchanges, § 1.1031(a)-1 et seq.
 Communist-controlled organization, exemption, § 1.501(k)-1
 Community income,
 Foreign law community income, § 1.981-1 et seq.
 Resident aliens, § 1.879-1
 Self employment income, § 1.1402(a)-8
 Community property, retirement income credit, § 1.37-1
 Commuter highway vehicles, investment credit, § 1.46-11

INCOME TAX—Cont'd

Compensation,
 Employees of foreign governments, § 1.893-1
 Employees of international organizations, § 1.893-1
 Injuries or sickness, gross income, exclusion, § 1.104-1
 Labor or personal services, sources within or without the United States, § 1.861-4
 Services, computation, § 1.61-2
 Compensation for personal services, deductions, § 1.162-7
 Component members of controlled group, credit for investment, § 1.48-3
 Composite return in lieu of specified form, § 1.6012-5
 Computation of fifty-percent maximum tax on earned income, § 1.1348-2
 Computation of interest, deferred payments on sales or exchanges, §§ 1.483-1, 1.483-2
 Computation of surcharge, § 1.51-1
 Computation of tax by government, retirement income credit, § 1.37-1
 Computation of taxable income, § 1.61-1 et seq.
 Sources within or without the United States, § 1.861-6 et seq.
 Terminal railroad corporations, § 1.281-1 et seq.
 Computations on returns or other documents, §§ 1.6102-1, 301.6102-1
 Conservation expenditures, deduction, § 1.175-1 et seq.
 Condemnation of real property held for productive use, § 1.1033(g)-1
 Condominium management association, exempt organization, § 1.528-1 et seq.
 Conservation, contributions, qualified conservation contributions, § 1.170A-14
 Consolidated Returns, this index
 Constructive Stock Ownership, this index
 Continuation of private foundation status, business income of certain exempt organizations, § 1.509(b)-1
 Contracts,
 Advance payments for goods and long-term contracts, accounting, § 1.451-5
 Long-term contracts, § 1.451-3
 Recovery of excessive profits on government contracts, § 1.1471-1
 Timber cutting contract, gain or loss on disposal of timber, § 1.631-2
 Contributions,
 Bond purchase plans for benefit of employees, § 1.405-1 et seq.
 Conservation purposes, qualified conservation contributions, § 1.170A-14
 Corporate organizations and reorganizations, capital, § 1.362-2
 Corporations, § 1.170-3
 Deductions, §§ 1.162-15, 1.170A-1 et seq.
 Foreign subsidiary employee treated as domestic corporation employee, § 1.406-1
 Pension, profit sharing and annuity plans, owner-employees, excess contribution, § 1.401-13
 Political and newsletter fund contributions, credit against tax, § 1.41-0A et seq.
 Remainder interest in real property, § 1.170A-12
 Controlled Corporations, this index
 Controlled taxpayers,
 Allocation of income deductions among taxpayers, § 1.482-1
 Imported goods, inventory costs, related persons or companies, limitation, § 1-1059A.1
 Convention and trade show activity, exempt organizations, § 1.513-3

INCOME TAX—Cont'd

- Research and experimental expenditures, gain or loss on disposition of property, § 1.1016-5
- Research expenses, qualified research expenses, credits against tax, § 1.41-0 et seq.
- Reserves, loan losses,
 - Banks, loans, § 1.585-1 et seq.
 - Small business investment companies, and business development corporations, §§ 1.586-1, 1.586-2
- Residence of taxpayer,
 - Credit for purchase, § 1.44-1 et seq.
 - Foreign Law community income, § 1.981-1
 - Involuntary conversion, gain or loss, § 1.1033(a)-3
 - Moving attributable to employment or self-employment, payment or reimbursement of expenses, § 1.82-1
 - Reacquisition and resale of residence, gain or loss, § 1.1038-2
 - Sale or exchange, § 1.1034-1
 - Adjustments to basis for determining gain or loss, § 1.1016-5
 - Age, individual attaining age of of fifty-five, § 1.121-1 et seq.
 - Deduction of losses, § 1.165-9
 - Individual attaining age 65, § 1.121-1 et seq.
- Residential energy credit, § 1.23-1 et seq.
- Residential real estate management association, exempt organizations, § 1.528-1 et seq.
- Residents or citizens of United States, § 1.1-1
 - Nonresident aliens, change of status, § 1.871-13
- Restoration, amounts received or accrued under claim of right, § 1.1341-1
- Restoration of credit, investment in depreciable property, § 1.50-1
- Restricted stock options of employees, § 1.421-1 et seq.
- Retail merchants, inventories, § 1.471-8
- Retired pay of employees, § 1.61-2
- Retirement and pensions, individual retirement accounts or annuities, § 1.408-1 et seq.
 - Deductions, § 1.219-1
- Retirement bonds, qualified bond purchase plans, § 1.405-3
- Retirement income,
 - Aged persons, credits against tax, § 1.37-1 et seq.
 - Partners, self-employment income, § 1.1402(a)-17
 - Wage continuation plans, § 1.105-6
 - Exclusion, payments after retirement age, § 1.72-15
- Retirement payments to retired partners, self-employment income, § 1.1402(a)-17
- Retirement plans for benefit of employees, qualified bond purchase plan, § 1.405-1 et seq.
- Retirement-replacement-betterment property, recovery deduction, special rules, § 1.168-5
- Retirement-Straight Line Adjustment Act of 1958,
 - Adjusted basis, §§ 1.1016-1, 1.9001-1 et seq.
 - Adjustments required in computing excess profits credit, § 1.9001-4
 - Basis adjustments for taxable years beginning on or after 1956, § 1.9001-2
 - Basis adjustments for taxable years between change over date in 1956, § 1.9001-3
 - Definitions, § 1.9001-1
- Returns, §§ 1.6012-1 et seq., 301.6001-1
 - See, also, Returns, generally, this index
 - Accounting records, § 1.446-1
 - Additions to tax, § 301.6651-1 et seq.
 - Aged persons, counseling, § 601.801 et seq.
 - Amendment of declaration, return as, § 1.6015(f)-1
 - Automatic extension of time for filing,
 - Corporate income tax returns, § 1.6081-3

INCOME TAX—Cont'd

- Returns—Cont'd
 - Automatic extension of time for filing—Cont'd
 - Individual income tax return, § 1.6081-4
 - Banks, common trust funds, § 1.6032-1
 - Border exchanges, § 1.6045-1
 - Brokers, §§ 1.6045-1, 1.6045-2
 - Cash in excess of ten thousand dollars received in trade or business, § 1.6050I-1
 - Charitable contributions, requirements, § 1.170A-13
 - China Trade Act corporations, income tax due dates postponed in case of, § 1.6072-3
 - Citizens of United States residing or traveling abroad, extension of time for filing returns, § 1.6081-2
 - Common trust funds, § 1.6032-1
 - Composite return in lieu of specified form, § 1.6012-5
 - Computations on, § 1.6102-1
 - Taxpayer not making computations, § 301.6014-1
 - Consolidated Returns, this index
 - Controlled taxpayer, separate or consolidated returns, § 1.482-1
 - Corporation liquidations,
 - Information, § 1.332-6
 - Qualified electing shareholder, § 1.333-5
 - Corporations,
 - Estimated tax, § 301.6016-1
 - Required to make returns of income, § 1.6012-2
 - Declaration of estimated income tax, §§ 1.6015(f)-1, 301.6015-1
 - Department of justice, officers and employees, disclosure of information, proceedings or investigations, § 301.6103(h)(2)-1
 - Director, International Operations, division, income tax returns required to be filed with, § 1.6091-3
 - Disclosure of returns, department of justice employees, proceedings or investigations, § 301.6103(h)(2)-1
 - Domestic corporations, extension of time for filing returns, § 1.6081-2
 - Domestic international sales corporations, § 1.6011-2
 - Elderly persons, counseling, § 601.801 et seq.
 - Estimated income tax, declarations, § 301.6015-1
 - Exceptional cases, filing, § 1.6091-4
 - Exempt organizations,
 - Certain transfers to, § 301.6050A-1
 - Taxable years beginning after December 31st, 1969, § 1.6033-2
 - Taxable years beginning before January 1, 1970, § 1.6033-1
 - Extension of time for filing, § 1.6081-1 et seq.
 - Fiduciaries, § 1.6012-3
 - Foreign corporations, § 1.6012-2
 - Foreign organizations, extension of time for filing returns, § 1.6081-2
 - Foreign personal holding companies, § 1.6035-1 et seq.
 - Fraud penalty, own personal fraudulent conduct, § 301.6653-1
 - Furnishing copy to taxpayer, return preparers, § 1.6107-1
 - Gambling winnings, statements, payees, § 1.6011-3
 - General requirements, § 301.6011-1
 - Husband and wife, § 301.6013-1
 - Filing separate returns, § 1.4-3
 - Joint returns, § 301.6013-1
 - Spouse relieved of liability, § 1.6013-5
 - Identifying numbers, § 1.6109-1
 - Return preparer, § 1.6109-2
 - Failure to furnish, § 1.6695-1
 - Individuals required to make returns of income, § 1.6012-1

WEAR AND TEAR

Income tax, gain or loss on disposition of property,
§§ 1.1016-3, 1.1016-4

WHEEL CHAIR

Income tax, deduction, § 1.213-1

WHITE PHOSPHOROUS MATCHES

Excise taxes, collection by revenue stamps, § 601.404
Exporting, seizure and destruction, § 301.7328-1

WHOLESALERS

Liquors, § 601.301

WHOLLY OWNED FOREIGN SUBSIDIARIES

Income tax, special deductions for dividends received
from, § 1.245-1

WHOLLY TAX-EXEMPT INTEREST

Mutual insurance companies, income tax, § 1.822-1
Deductions from gross investment income, § 1.822-5

WIDOWS AND WIDOWERS

Income tax, charitable contributions, § 1.170-2

WIN EXPENSES

Income tax, credit for work incentive program expenses,
§§ 1.40-1, 1.50A-1 et seq.

WINDFALL PROFIT TAX

Generally, § 601.405

WINE

Abatement, claims for, § 601.303
Advertising, § 601.301
Bottling of taxpaid wine, § 601.301
Check, payment of tax, § 301.6311-1
Drawback of tax, § 601.301
Claims, preparation and filing, § 601.304
Imposition of tax, § 601.301
Labeling, § 601.301
Low wines, remission, claims for, preparation and filing,
§ 601.304
Nonindustrial use, § 601.301

WINE MAKERS

Qualification requirements, § 601.301

WIRE SERVICES

Communications tax, § 601.403

WITHHOLDING INCOME TAX

China Trade Act corporations, § 1.943-1

WITHHOLDING TAXES

Accounts and accounting,
Collected taxes, § 301.7512-1
Separate accounting for certain collected taxes,
§ 31.7512-1
Acts to be performed by agents, § 31.3504-1
Additional records under Federal Unemployment Tax
Act, § 31.6001-4
Additional withholding, § 31.3402(i)-1
Adjustments, § 601.401
Over withholding of tax, § 1.1461-4
Underpayments, § 31.6205-1
Agents,
Nonresident aliens and foreign corporations, liability
for fraud, § 1.1445-4
Two or more employers, § 31.3402(g)-3
Withholding agents, § 1.1441-7
Agricultural labor, § 31.3401(a)(2)-1

WITHHOLDING TAXES—Cont'd

Allowances for minimized deductions, § 31.3402(m)-1
Amounts deemed wages under voluntary withholding
agreements, § 31.3401(a)-3
Annualized wages, basis, § 31.3402(h)(2)-1
Annuities,
Payments, § 31.3402(o)-2
Plans, § 31.3401(a)(12)-1
Application of provisions,
Agents, general provisions, § 1.1465-1
Bond interest, ownership certificates, § 1.1461-1
Credit to recipient of income, § 1.1462-1
General provisions relating to agents, § 1.1465-1
Ownership certificates for bond interest, § 1.1461-1
Payment of withheld tax, § 1.1461-3
Recipient of income, tax paid by, § 1.1463-1
Refunds or credits, § 1.1464-1
Tax paid by recipient of income, § 1.1463-1
Withheld tax as credit to recipient of income,
§ 1.1462-1
Armed forces, § 31.3401(a)(1)-1
Average wages, basis, § 31.3402(h)(1)-1
Averaged estimated tips, basis, § 31.3402(h)(1)-1
Bank for international settlement, § 1.1441-4
Bars and taverns, tips, reporting requirements,
§ 31.6053-3
Basis,
Annualized wages, § 31.3402(h)(2)-1
Average wages, § 31.3402(h)(1)-1
Cumulative wages, § 31.3402(h)(3)-1
Other methods, § 31.3402(h)(4)-1
Bracket withholding, § 31.3402(c)-1
Canadians, § 31.3401(a)(7)-1
Cash remuneration for service not in the course of em-
ployer's trade or business, § 31.3401(a)(4)-1
Citizens performing services outside the United States,
§ 31.3401(a)(8)(A)-1
Collection functions, § 601.104
College clubs, § 31.3401(a)(3)-1
Companion setting placement service, § 31.3506-1
Composite return in lieu of specified form,
§ 31.6011(a)-8
Credit, § 31.6414-1
Cumulative wages, basis, § 31.3402(h)(3)-1
Decreases, § 31.3402(i)-2
Definitions,
Employee, § 31.3401(c)-1
Employer, § 31.3401(d)-1
Payroll period, § 31.3401(b)-1
Dismissal payments, § 31.3401(a)-1
Dividends,
Separate accounting, § 31.7512-1
Domestic service, § 31.3401(a)(3)-1
Earned income credit, advance payments, §§ 31.3507-1,
31.3507-2
Employee defined, § 31.3401(c)-1
Employees incurring no income tax liability,
§ 31.3402(n)-1
Employer defined, § 31.3401(d)-1
Employment Taxes, generally, this index
Excluded wages, § 31.3402(e)-1
Exclusions from wages, § 31.3401(a)-2
Exemption certificates, § 31.3402(f)(2)-1 et seq.
Effective period, § 31.3402(f)(4)-2
Interest, dividends and patronage dividends,
§ 31.3452(f)-1
Remaining in effect, § 31.3402(f)(4)-1
Exemptions, § 31.3402(f)(1)-1
Number claimed, § 31.3401(e)-1