

FEDERAL
TAX REGULATIONS

1994

IN FORCE JANUARY 1, 1994

Kept To Date

Through

U. S. Code Congressional and
Administrative News

Volume 5

WEST PUBLISHING CO.
ST. PAUL, MINN.

CARRYBACKS

Income Tax, this index

CARRYING CHARGES

Income taxes, election to deduct or capitalize, § 1.263(a)-3

CARRYOVERS

Corporate organizations and reorganizations, income tax,

§ 1.381(a)-1 et seq.

Income Tax, this index

Life insurance company, income tax, § 1.381(c)(22)-1 et seq.

Net operating loss carryovers, generally. Income Tax, this index

CARS

Motor Vehicles, generally, this index

CASUALTY LOSSES

Income tax,

Deductions, §§ 1.270-1, 1.165-7

Exclusion from gross income, insurance proceeds for reimbursement of certain living expenses, § 1.123-1

Net operating loss deduction, § 1.172-3

Nonresident alien deduction, § 1.873-1

CEMETERY COMPANIES AND CREMATORIA

Income tax,

Exemption, § 1.501(c)(13)-1

Perpetual care funds, income tax deductions, §§ 1.642(i)-1, 1.642(i)-2

CERTIFICATES

Income tax, withholding exemption certificates,

§ 31.3402(f)(2)-1 et seq.

CERTIFICATES OF INDEBTEDNESS

Collection of tax, receipt of payment, § 301.6312-1

Income tax deduction, charitable gift, § 1.170-1

CERTIFICATES OF SALE

Collection of tax, seized property, § 301.6338-1

Legal effect, § 301.6339-1

CERTIFICATION

Bank holding company, income tax, distributions pursuant to act of 1956, § 1.1101-2

Power of attorney, § 601.504

CERTIFIED HISTORIC STRUCTURES

Defined, amortization deductions, § 1.191-2

CHAIN, CONTROLLED FOREIGN CORPORATIONS

Defined, United States shareholder, § 1.952-1

CHAIN OF EXPORT TRADE CORPORATIONS

Controlled foreign corporations income tax, § 1.972-1

CHAMBERS OF COMMERCE

Income tax exemption, § 1.501(c)(6)-1

CHARITABLE CONTRIBUTIONS

Income Tax, this index

CHARITABLE ORGANIZATIONS

Income Tax, this index

CHARITABLE REMAINDER ANNUITY TRUST

Income tax, § 1.664-2

CHARITABLE REMAINDER TRUST

Income tax, trust accumulating income or distributing corpus, § 1.664-1 et seq.

CHARITABLE REMAINDER UNITRUSTS

Income tax, § 1.664-3

Calculation of fair market value of remainder interest, § 1.664-4

CHECKS

Collection of tax, receipt of payment, § 301.6311-1

CHILD CARE

Income tax, credit, necessary for gainful employment,

§ 1.44A-1 et seq.

CHILD CARE FACILITIES

Amortization of qualified property, § 1.188-1

CHILDREN AND MINORS

Collection, delinquent court ordered child support obligations, treasury department, powers and duties, § 301.6305-1

Income tax, services of child, § 1.73-1

CHINA TRADE ACT CORPORATIONS

Income tax, § 1.941-1 et seq.

Definitions, § 1.941-2

Illustration of principles, § 1.941-3

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

INCOME TAX—Cont'd

Charitable contributions—Cont'd

Deduction—Cont'd

- Consolidated charitable contributions, § 1.1502-24
- Estates and trusts, § 1.681(a)-1 et seq.
- Individuals, § 1.170-2
- Nonexempt private foundations, § 1.642(c)-4
- Partnerships, § 1.702-1
- Returns, requirements, § 1.170A-13
- Charitable organizations,
 - Dividends, credit or exclusion, § 1.34-3
 - Exempt organizations, § 1.501(c)(3)-1
 - Gain or loss from bargain sale, § 1.1011-2
 - Information returns, dispositions of donated property, § 1.6050L-1
 - 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
- Claim of right, restoration of amounts received or accrued, § 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, § 1.38-1
- 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.

INCOME TAX—Cont'd

- 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
- 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.
 - Arbitrage restrictions, § 1.148-0 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
 - Accounting, look-back method, § 1.460-6
 - 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

SUBSIDIARY CORPORATIONS—Cont'd**Income tax—Cont'd**

Wholly owned foreign subsidiaries, special deductions for dividends received from, § 1.245-1
Redemption of stock, § 1.304-3

SUBSISTENCE ALLOWANCE

Police, gross income exclusion, § 1.120-1

SUBSTANTIATION REQUIREMENTS

Facts alleged in conferences, § 601.507
Income tax deductions, expenses, § 1.274-5

SUBSTITUTION

Attorneys or agents, § 601.504

SUCCESSOR EMPLOYER

Employment taxes, credits against tax, § 31.3302(e)-1

SUGAR

Manufactured sugar, limitations on credit or refund, § 301.6511(e)-1
Special rules, § 301.6418-1

SUGAR TAX

Return, collected by, § 601.403

SUITS BY UNITED STATES

Periods of limitations, § 301.6532-2

SUMMARY

General tax procedure, § 601.103

SUMMONS

Witnesses, § 301.7602-1 et seq.

SUNDAYS

Time for performance of acts where last day falls on Sunday, § 301.7503-1

SUPPLEMENTAL ASSESSMENTS

Generally, § 301.6204-1

SUPPLEMENTAL UNEMPLOYMENT BENEFIT TRUST

Income tax, exempt organizations, § 1.501(c)(17)-1 et seq.

SUPPORT

Dependent, income tax, § 1.152-2
Child of divorced or separated parents, § 1.152-4

SUPPORTING ORGANIZATIONS

Income tax, business income of certain exempt organizations, § 1.509(a)-4

SUPREME COURT OF THE UNITED STATES

Mandate to tax court, § 301.7481-1

SURCHARGE

Income tax, § 1.51-1
Consolidated returns, § 1.1502-2

SURPLUS

Corporations improperly accumulating, income tax, § 1.531-1 et seq.

SURRENDER

Collection of tax, property subject to levy, § 301.6332-1

SURTAX EXEMPTION

Affiliated corporations, multiple surtax exemption election, § 1.243-5
Income tax, consolidated returns, § 1.1551-1
Certain controlled corporations, § 1.1561-0 et seq.

SURVIVING SPOUSE

Income Tax, this index

SUSPENDED PERSONS

Conference and practice requirements, § 601.502

TAX COURT

Assessment, deficiency found by tax court, § 301.6215-1
Compromise and settlement, appeals office, § 601.106
Interested parties, § 1.7476-1 et seq.
Limitation on assessment and collection in case of petition, § 301.6512-1
Mandate, § 301.7481-1
Notice of hearing, § 301.7458-1
Parties, representation, § 301.7452-1
Petition, § 601.103
Deficiency assessment, redetermination, § 301.6213-1
Limitations on assessment and collection, § 301.6512-1
Petition for review, § 301.7483-1
Publicity of proceedings, § 301.7461-1
Reports, public records, § 301.7461-1
Review of decisions, § 301.7482-1
Transition provisions, § 1.7704-2

TAX EXEMPT TRUSTS

Withholding income tax at source, § 31.3401(a)(12)-1

TAX INFORMATION AUTHORIZATION

Alcohol and tobacco tax activities, § 601.523 et seq.
Tax court of United States, cases docketed, § 601.509

TAX RETURN

Definition, § 301.7216-1

TAX RETURN INFORMATION

Definition, § 301.7216-1

TAX RETURN PREPARER

Definition, § 301.7216-1

TAXABLE ESTATE

Income tax, defined, § 1.303-2

TAXABLE INCOME

Definition,
Controlled foreign corporation income tax, § 1.953-4
Virgin Islands income tax, § 1.934-1
Derived from farming, definition, income tax deduction, § 1.182-5
Determination, controlled foreign corporation, § 1.952-2
Foreign investment company, income tax, computation and distribution, § 1.1247-2
Real estate investment trusts, income tax, § 1.857-2

TAXABLE YEARS AFFECTED

Mutual life insurance companies, income tax, §§ 1.821-2, 1.822-4

TAXPAYERS SUITS

Periods of limitation, § 301.6532-1

TECHNICAL ADVICE

Requests to national office, procedural rules, § 601.105

TELEPHONE AND TELEGRAPH COMPANIES

Communications tax, § 601.403
Income tax, source of income, § 1.863-5

TELEPHONE COMPANIES

Income tax exemption, § 1.501(c)(12)-1

TELEVISION

Films and tapes, income tax investment credit, § 1.48-8

WITHHOLDING TAXES—Cont'd

Armed forces, § 31.3401(a)(1)-1
 Average wages, basis, § 31.3402(h)(1)-1
 Averaged estimated tips, basis, § 31.3402(h)(1)-1
 Backup withholding, incorrect tax for identification number, §§ 31.3406(d)(5), 35a.3406-1
 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 employer's trade or business, § 31.3401(a)(4)-1
 Citizens performing services outside the United States, § 31.3401(a)(8)(A)-1
 Collection functions, § 31.3401(a)(3)-1
 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
 Extension of time for filing returns, § 31.6081(a)-1
 Failure to withhold, § 31.3402(d)-1
 False information, fines and penalties, § 31.6682-1
 Fees paid public official, § 31.3401(a)-2
 Fiduciaries,
 Interest, dividends and patronage dividend withholding, application law, § 3453(c)-1
 Two or more employers, § 31.3402(g)-3
 Final returns, § 31.6011(a)-6
 Fines and penalties, false information, § 31.6682-1
 Fishing, § 31-3401(a)(17)-1
 Foreign central bank of issue, § 1.1441-4
 Foreign countries, § 31.3401(a)(5)-1
 Services performed outside United States by citizen or resident, § 31.3401(a)(18)-1
 Foreign tax credits, conditions of allowance, § 1.905-2
 Form of exemption certificate, § 31.3402(f)(5)-1
 Fraternities, domestic service, § 31.3401(a)(3)-1
 Gambling winnings, § 31.3402(q)-1
 Government depositaries, § 31.6302(c)-1
 Governmental employer, return and payment, § 31.3404-1

WITHHOLDING TAXES—Cont'd

Group-term life insurance, § 31.3401(a)(14)-1
 Husband and wife, determination and disclosure of marital status, § 31.3402(l)-1
 Imposition of backup withholding, § 35a.3406-1 et seq.
 Included wages, § 31.3402(e)-1
 Increases, § 31.3402(i)-2
 Information returns on form W-3 and social security administration copies of forms W-2, § 31.6051-2
 Interest,
 Separate accounting, § 31.7512-1
 Internal revenue service copies of forms W-2 on domestic workers, § 31.6011(a)-4
 International organization, services, § 31.3401(a)(5)-1
 Itemized deductions, withholding allowances, § 31.3402(m)-1
 Liability for tax, § 31.3403-1
 Liability of third parties paying or providing for wages, § 31.3505-1
 Magazine delivery, § 31.3401(a)(10)-1
 Magnetic tape, submitting information required, §§ 1.6041-7, 1.9101-1
 Marital status, determination and disclosure, § 31.3402(l)-1
 Mexicans, § 31.3401(a)(7)-1
 Minister of church, § 31.3401(a)(9)-1
 Monthly returns, § 31.6011(a)-5
 Moving expenses, § 31.3401(a)(15)-1
 Newspaper delivery, § 31.3401(a)(10)-1
 Nondeductibility of taxes in computing taxable income, § 31.3502-1
 Nonresident aliens and foreign corporations, §§ 1.1441-1 et seq., 31.3402(f)(6)-1
 Adjustments, overwithholding of tax, § 1.1461-4
 Agent, general provisions, § 1.1465-1
 Application of provisions, § 1.1461-1
 Assumed obligations, § 1.1441-3
 Bank for international settlements, exemption, § 1.1441-4
 Claiming to be person not subject to withholding, § 1.1441-5
 Claiming United States citizenship or residence, § 1.1441-5
 Claims for refund, § 1.1441-3
 Compensation for personal services, exemption, § 1.1441-4
 Corporate distributions, nontaxable portion, § 1.1441-3
 Corporations claiming not to be foreign corporation, § 1.1441-5
 Coupon bond interest, reduced rate, § 1.1441-6
 Credit or refund of tax withheld, § 1.6414-1
 Default of interest coupons, § 1.1441-3
 Dividends paid by,
 China Trade Act Corporation, exemption, § 1.1441-4
 Foreign corporations, § 1.1441-3
 Dividends paid to shareholder, status indefinite, § 1.1441-3
 Election, treatment as domestic corporation, § 1.1445-7
 Exceptions, § 1.1441-3
 Exemptions, § 1.1441-4
 Tax treaty, § 1.1441-6
 Fiduciaries, § 1.1441-3
 Fixed or determinable annual or periodical income, § 1.1441-2
 Foreign central bank of issue, exemption, § 1.1441-4
 Foreign tax-exempt organizations, § 1.1443-1
 Gains from sale or exchange of capital assets, §§ 1.1441-2, 1.1441-3
 Government depositaries, payment of tax withheld, § 1.6302-2
 Income connected with United States business, § 1.1441-4
 Income from sources without the United States, § 1.1441-3
 Income subject to withholding, § 1.1441-2
 Inhabitants of Virgin Islands, § 1.1441-4
 Interest, government obligations, § 1.1441-3
 Overwithholding of tax, adjustments for, § 1.1461-4