

IRS Releases Final Rules on Dual Consolidated Losses

The Internal Revenue Service released final regulations (T.D. 9315) March 16 on dual consolidated losses under section 1503(d), which generally provides limitations on the use of losses by a dual-resident corporation within an affiliated group and by a separate business unit of a domestic corporation. This guidance finalizes proposed regulations that were issued in May 2005 and will replace final regulations issued in 1992.

The new final rules, which were released just prior to press time, are generally effective for taxable years beginning on or after April 18, 2007, but there are special effective date provisions that apply under certain circumstances.

— Elizabeth Magin
Tax Policy Group
Deloitte Tax LLP

The information contained in *Tax News & Views* is for general purposes only. The views expressed in this article are those of the author and do not constitute tax advice from or reflect the view of Deloitte & Touche LLP. Deloitte & Touche LLP assumes no responsibility with respect to assessing and/or advising the reader as to the respective tax consequences arising from circumstances relating to the reader's particular tax situation. It is recommended that the reader consult with their own tax advisor with regard to the application of the tax laws and resulting tax consequences relating to the reader's particular situation.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, its member firms and their respective subsidiaries and affiliates. Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to excellence in providing professional services and advice, focused on client service through a global strategy executed locally in nearly 140 countries. With access to the deep intellectual capital of approximately 135,000 people worldwide, Deloitte delivers services in four professional areas, audit, tax, consulting and financial advisory services, and serves more than 80 percent of the world's largest companies, as well as large national enterprises, public institutions, locally important clients, and successful, fast-growing global growth companies. Services are not provided by the Deloitte Touche Tohmatsu Verein and, for regulatory and other reasons, certain member firms do not provide services in all four professional areas.

As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related names.

In the United States, Deloitte & Touche USA LLP is the U.S. member firm of Deloitte Touche Tohmatsu and services are provided by the subsidiaries of Deloitte & Touche USA LLP (Deloitte & Touche LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP, Deloitte Tax LLP, and their subsidiaries), and not by Deloitte & Touche USA LLP. The subsidiaries of the U.S. member firm are among the nation's leading professional services firms, providing audit, tax, consulting, and financial advisory services through nearly 40,000 people in more than 90 cities. Known as employers of choice for innovative human resources programs, they are dedicated to helping their clients and their people excel. For more information, please visit the U.S. member firm's Web site at www.deloitte.com/us.

Member of
Deloitte Touche Tohmatsu