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**Tax Committee Comments and Recommendations, No. 4:
Comments on Proposed Regulations Under Section 172 of the
Internal Revenue Code Relating to Net Operating Loss Deduction,
Submitted to the IRS - Jan. 15, 1965**

American Institute of Certified Public Accountants. Committee on Federal Taxation

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TAX COMMITTEE COMMENTS AND RECOMMENDATIONS

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Under Section 172 of the Internal Revenue Code
Relating to Net Operating Loss Deduction

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COMMITTEE ON FEDERAL TAXATION

of the

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Comments on Proposed Regulations Under
Section 172 of the Internal Revenue Code of 1954
Relating to Net Operating Loss Deduction

Section

- 1.172-9(d)
- 1.
- This section requires the taxpayer to consent to the assessment (attributable to a previously allowed net operating loss deduction) "...within such period as may be determined by the district director..."
- It appears advisable for such assessment to be made within a prescribed period, such as 3 years from the date of the consent, for the reasons that have produced the various limitation periods found in the Code.
- In addition, this section should provide for the consent statement to be attached to all refund claims and carryback adjustments. This would result in a uniform procedure for all consent statements as well as copies of the certification (by the Secretary of Commerce). (See Proposed Regulations Section 1.172-9(c)(4).)
- 1.172-10(a)
- 2.
- The first sentence of this section should contain a cross-reference to Regulations Section 1.172-4(a)(1)(iv) in order to indicate that the net operating loss must be carried back before it can constitute a carryover.
- 1.6411-1(d)
- 3.
- It is proposed that the consent statement must be attached to the carryback application only if the same net operating loss had already been carried back (under the three-year provision). For purposes of uniformity (see comment one) a consent statement should be required whenever a carryback application is filed in accordance with the five-year carryback provision of Section 172(b)(1)(A)(ii).

