

STUDY OF UNITED STATES REINSURANCE INDUSTRY

Pub. L. 99-514, title XII, §1244, Oct. 22, 1986, 100 Stat. 2581, directed Secretary of the Treasury or his delegate to conduct a study to determine whether United States reinsurance corporations are placed at a significant competitive disadvantage with foreign reinsurance corporations by existing treaties between the United States and foreign countries, and to report before Jan. 1, 1988, the results of such study to Committee on Finance of United States Senate and Committee on Ways and Means of House of Representatives.

§ 843. Annual accounting period

For purposes of this subtitle, the annual accounting period for each insurance company subject to a tax imposed by this subchapter shall be the calendar year. Under regulations prescribed by the Secretary, an insurance company which joins in the filing of a consolidated return (or is required to so file) may adopt the taxable year of the common parent corporation even though such year is not a calendar year.

(Added Mar. 13, 1956, ch. 83, §4(a), 70 Stat. 48; amended Pub. L. 94-455, title XV, §1507(b)(2), Oct. 4, 1976, 90 Stat. 1740.)

AMENDMENTS

1976—Pub. L. 94-455 inserted provision permitting an insurance company which joins in the filing of a consolidated return to adopt the taxable year of the common parent corporation even though such year is not a calendar year.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 applicable to taxable years beginning after Dec. 31, 1980, see section 1507(c)(1) of Pub. L. 94-455, set out as a note under section 1504 of this title.

EFFECTIVE DATE

Section applicable only to taxable years beginning after Dec. 31, 1954, see Effective Date of 1956 Amendment note set out under section 316 of this title.

§ 844. Special loss carryover rules**(a) General rule**

If an insurance company—

- (1) is subject to the tax imposed by part I or II of this subchapter for the taxable year, and
- (2) was subject to the tax imposed by a different part of this subchapter for a prior taxable year,

then any operations loss carryover under section 810 (or the corresponding provisions of prior law) or net operating loss carryover under section 172 (as the case may be) arising in such prior taxable year shall be included in its operations loss deduction under section 810(a) or net operating loss deduction under section 832(c)(10), as the case may be.

(b) Limitation

The amount included under section 810(a) or 832(c)(10) (as the case may be) by reason of the application of subsection (a) shall not exceed the amount that would have constituted the loss carryover under such section if for all relevant taxable years the company had been subject to the tax imposed by the part referred to in subsection (a)(1) rather than the part referred to in subsection (a)(2). For purposes of applying the preceding sentence, section 810(b)(1)(C) (relating

to additional years to which losses may be carried by new life insurance companies) shall not apply.

(c) Regulations

The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(Added Pub. L. 91-172, title IX, §907(c)(1), Dec. 30, 1969, 83 Stat. 716; amended Pub. L. 94-455, title XIX, §§1901(b)(25), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1798, 1834; Pub. L. 98-369, div. A, title II, §211(b)(11), July 18, 1984, 98 Stat. 755; Pub. L. 99-514, title X, §1024(c)(12), title XVIII, §1899A(20), Oct. 22, 1986, 100 Stat. 2408, 2959; Pub. L. 101-239, title VII, §7841(d)(16), Dec. 19, 1989, 103 Stat. 2429.)

AMENDMENTS

1989—Subsec. (a)(2). Pub. L. 101-239 substituted “a prior taxable year” for “the taxable year”.

1986—Subsec. (a). Pub. L. 99-514, §1024(c)(12), added subsec. (a) and struck out former subsec. (a) which read as follows: “If an insurance company—

“(1) is subject to the tax imposed by part I, II, or III of this subchapter for the taxable year, and

“(2) was subject to the tax imposed by a different part of this subchapter for a prior taxable year beginning after December 31, 1962,

then any operations loss carryover under section 810 (or the corresponding provisions of prior law), unused loss carryover under section 825, or net operating loss carryover under section 172, as the case may be, arising in such prior taxable year shall be included in its operations loss deduction under section 810(a), unused loss deduction under section 825(a), or net operating loss deduction under section 832(c)(10), as the case may be.”

Pub. L. 99-514, §1899A(20), substituted “prior law), unused loss” for “prior law),, unused loss” in concluding provisions.

Subsec. (b). Pub. L. 99-514, §1024(c)(12), added subsec. (b) and struck out former subsec. (b) which read as follows: “The amount included under section 810(a), 825(a), or 832(c)(10), as the case may be, by reason of the application of subsection (a) shall not exceed the amount that would have constituted the loss carryover under such section if for all relevant taxable years such company had been subject to the tax imposed by the part referred to in subsection (a)(1) rather than the part referred to in subsection (a)(2). For purposes of applying the preceding sentence—

“(1) in the case of a mutual insurance company which becomes a stock insurance company, an amount equal to 25 percent of the deduction under section 832(c)(11) (relating to dividends to policyholders) shall not be allowed, and

“(2) section 810(b)(1)(C) (relating to additional years to which losses may be carried by new life insurance companies) shall not apply.”

1984—Subsec. (a). Pub. L. 98-369, §211(b)(11)(A), substituted “section 810 (or the corresponding provisions of prior law),” for “section 812” and “section 810(a)” for “section 812(a)” in provisions following par. (2).

Subsec. (b). Pub. L. 98-369, §211(b)(11)(B), substituted “section 810(a)” for “section 812(a)” in introductory provisions, and “section 810(b)(1)(C)” for “section 812(b)(1)(C)” in par. (2).

1976—Subsec. (b)(2). Pub. L. 94-455, §1901(b)(25), substituted “section 812(b)(1)(C)” for “section 812(b)(1)(A)(iii)”.

Subsec. (c). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 1024(c)(12) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 1024(e) of Pub. L. 99-514, set out as a note under section 831 of this title.