

Part I

Section 6411.—Tentative Carryback and Refund Adjustments

26 CFR 1.6411-2T: Computation of Tentative Carryback Adjustment
(Also: 6402, 26 CFR 1.6411-3T)

Rev. Rul. 2007-53

TEXT

The Internal Revenue Service has determined that Rev. Rul. 78-369 is inconsistent with the regulations under section 6411 of the Internal Revenue Code. Temporary, final, and proposed regulations published in this issue of the Internal Revenue Bulletin clarify that the computation and allowance of a tentative refund under section 6411 is a two-step process. Rev. Rul. 78-369, 1978-2 C.B. 324, is revoked.

The decrease in tax previously determined (tentative allowance) is computed pursuant to Treas. Reg. §1.6411-2 but applied pursuant to Treas. Reg. §1.6411-3. For purposes of computing the allowance, the Commissioner will not consider amounts to which the taxpayer and the Commissioner are in disagreement. For purposes of applying the allowance, however, the Commissioner may credit or reduce the tentative adjustment by any assessed tax liabilities, unassessed liabilities determined in a

statutory notice of deficiency, unassessed liabilities identified in a proof of claim filed in bankruptcy proceeding, and other unassessed liabilities in rare and unusual circumstances. See Temp. Treas. Reg. §§1.6411-2T and 1.6411-3T; Rev. Rul. 2007-51 and Rev. Rul. 2007-52.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 78-369, 1978-2 C.B. 324, is revoked.

DRAFTING INFORMATION

The principal author of this revenue ruling is Cynthia Ann McGreevy of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this revenue ruling, contact Cynthia Ann McGreevy at 202-622-4910 (not a toll-free call).