IRM PROCEDURAL UPDATE

DATE: 03/25/2024

NUMBER: wi-03-0324-0444

SUBJECT: Certificate of Dissolution and Corrected Figure 3.11.16-15

AFFECTED IRM(s)/SUBSECTION(s): 3.11.16

CHANGE(s):

IRM 3.11.16.9.1.6(1) - Added an example for a dissolved corporation that attaches a "Certificate of Dissolution".

- (1) Edit CCC "F" when the "Final Return" box is checked or there is another indication the corporation is not liable for filing future returns. Notations may include (but are not limited to):
 - Final
 - Deceased
 - · Out of Business
 - Liquidation
 - Exempt under IRC 501(c)(3)
 - Dissolved (i.e., **Certificate of Dissolution** attached)

Note: The presence of Form 966, Corporate Dissolution or Liquidation, is a sign of a possible dissolution. If Form 966 is attached, compare tax periods in Box 7A to the Form 1120 being edited. If the same and the entity section of Form 966 is for the parent corporation, edit CCC "F."

- Cites IRC 708(b)(1)(B)
- Notates "Filed per Rev. Proc. 2003-84"

IRM 3.11.16.11.4.8(2) - Corrected Figure 3.11.16-15, Line 9 - Net Gain or Loss from Form 4797.

(2) Check for taxpayer errors in the transfer of entries from Form 4797 to Page 1, Form 1120. Also check the transfer of data from Line 9, Form 4797 to Line 11, Schedule D.

If	And	Then
Form 1120, Page 1,	There is a positive entry	Arrow Form 1120, Line 9 entry to

	on Form 1120, Page 1, Line 9 and Form 4797, Line 9 has a significant positive entry,	Line 8 and correspond for Schedule D. See Figure 3.11.16-15.
There is a notation on Form 1120, Page 1, Line 9 that Form 4684 is attached,		Do not correspond. Compare Form 1120, Page 1, Line 9 with Form 4684, Line 31 plus 38a. If different, edit Form 4684 amount to Line 9, Form 1120.

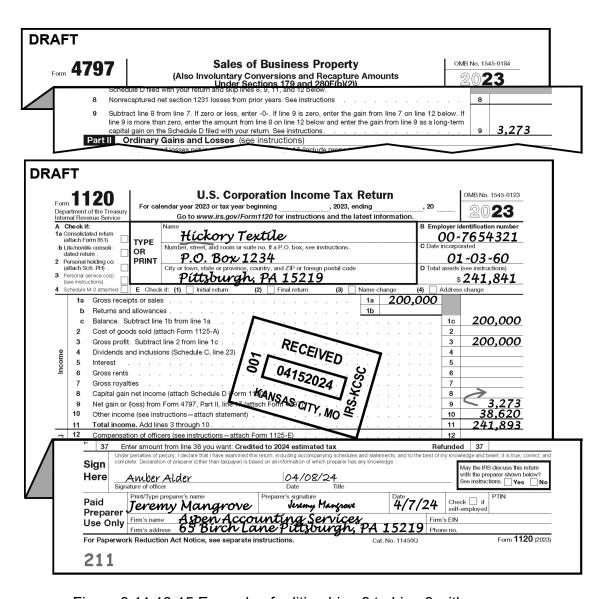


Figure 3.11.16-15 Example of editing Line 9 to Line 8 with an arrow.