

Affiliations Schedule

(To be filed with each consolidated income tax return)

Tax Year Ended _____, 19 _____

Common parent corporation	Employer identification number
Number and street	Check here <input type="checkbox"/> and complete Part IV if Instruction E-type affiliations are included in the affiliated group.
City or town, state, and ZIP code	

Part I Prepayment Credits (Complete for all members of the affiliated group.)

No.	Name and address of corporation	Employer Identification Number	Prepayment Credits	
			Portion of Form 7004 tax deposits	Portion of estimated tax credits and deposits
1	Common parent corporation			
	Subsidiary corporations:			
2				
3				
4				
5				
6				
7				
8				
9				
10				
Totals (Must equal amounts shown on Form 1120)			▶	

Part II Voting Stock Information, etc. (Complete only for subsidiary members as explained in Instruction C.)

No.	Principal business activity	Did the subsidiary make distributions of the type described in Instruction C?		Capital stock outstanding at beginning of year		Stock holdings at beginning of year				Owned by corporation number—
						Voting		Nonvoting		
		Yes	No	Voting	Nonvoting	Number of shares	Percent voting power	Number of shares	Percent	
1	Common parent corporation									
	Subsidiary corporations:						%		%	
2							%		%	
3							%		%	
4							%		%	
5							%		%	
6							%		%	
7							%		%	
8							%		%	
9							%		%	
10							%		%	

Part IV Information for Subsidiaries Affiliated Under Revised Section 1504 Provisions. (See Instruction E for Questions 1 through 4 and other details.)

No.*	Name	Answer to Question 1:		If yes, list and describe each class of stock:		
		Yes	No			
No.*	Name	Answer to Question 2:		If yes, but such stock was not owned for the entire tax year, provide dates to show period of ownership:		
		Yes	No			
No.*	Name	Answer to Question 3:		If yes, but such stock was not owned for the entire tax year, provide dates to show period of ownership:		
		Yes	No			
No.*	Name	Answer to Question 4(a)		If yes, enter the percentage asked for in Item 4(b):	If yes, enter the percentage asked for in Item 4(c):	If yes, enter the percentage asked for in Item 4(d):
		Yes	No			
No.*	Item 4(e)—Description of arrangements:					

* The numbers used must agree with the corporation numbers in Part I, page 1.

Instructions

(References are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose of Form.—Form 851 is filed by the parent corporation for itself and for affiliated corporations in the affiliated group. Form 851 is filed by attaching it to **Form 1120**, U.S. Corporation Income Tax Return, that is the consolidated tax return for the group.

B. Affiliated Group.—Generally, effective for tax years beginning after 1984, the definition of an affiliated group under section 1504 was revised by Public Law 98-369 (the Deficit Reduction Act of 1984 (Act)). In general, the change requires a corporation to own 80% or more of the voting power and 80% or more of the total value of the stock of another corporation before the two are considered an affiliated group. However, a special rule under Act section 60(b)(2) generally allows a corporation that was a member of an affiliated group on June 22, 1984, and that is included in the consolidated return of the group for its tax year that includes June 22, 1984, to continue as a member of the group under the definition rules of section 1504 before revision by the Act (pre-Act provisions).

Note: Act section 60(b)(3) makes the special rule of Act section 60(b)(2) not applicable to certain corporations that had a sell-down or issuance of more than a de minimis amount of stock after June 22, 1984. See Act sections 60(b)(3), (4), and (5) for information on sell-downs, exceptions, and other details.

For tax years beginning after 1987, all corporations must be affiliated under the revised rules in order to qualify for filing a consolidated return.

C. Parts I, II, and III.—Complete Part I for all members of the affiliated group.

Parts II and III are only completed for subsidiary corporations that were affiliated on or before June 22, 1984, and that continue to be affiliated under pre-Act provisions by reason of the special rule under Act section 60(b)(2).

Distributions referred to in Part II, third column, are any dividends (other than stock dividends and distributions in exchange for stock) paid during the tax year for which the consolidated tax return is filed that were in excess of the corporation's current and accumulated earnings and profits. See sections 301 and 316.

D. Information for Subsidiary Corporation Affiliated on June 22, 1984.—List and provide information in Parts II and III for each corporation that was a member of the affiliated group under pre-Act provisions for its taxable year which includes June 22, 1984, and which continues to be affiliated under pre-Act provisions by reason of the special rule under Act section 60(b)(2).

If any of the events listed below occurred after June 22, 1984, with respect to any corporation purported to be a member of the affiliated group by reason of section 60(b)(2) of the Act, describe the transaction or event on an attached schedule:

1. A sale of stock of the corporation by a purported member of the affiliated group.
2. An issuance of stock of the corporation to a person that is not a member of the affiliated group.
3. A redemption of the stock of a corporation of a purported member of the affiliated group.
4. A recapitalization.
5. An arrangement entered into by which one or more persons that are not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation from the corporation or another purported member of the group. (Such an arrangement may include an option, warrant, conversion feature, or similar arrangement, but is not limited to these arrangements.)

E. Part IV.—Complete Part IV for:

- Corporations that become affiliated after June 22, 1984.
- Corporations affiliated on June 22, 1984, but to which the special rule under Act section 60(b)(2) does not apply because of a sell-down or issuance of stock as referred to in the **Note** in Instruction B.

Answer questions 1 through 4 by checking Yes or No in Part IV, and provide the other information requested based on the following questions and items:

Question 1.—During the tax year, did the corporation have more than one class of stock outstanding? For purposes of this question only, disregard section 1504(a)(4).

Question 2.—During the tax year, did the purported members of the affiliated group own stock (as the term is used in section 1504(a)) possessing at least 80% of the value of the total outstanding stock of the corporation?

Question 3.—During the tax year, did purported members of the affiliated group own stock (as the term is used in section 1504(a)) possessing at least 80% of the voting power of outstanding stock of the corporation?

Question 4(a).—During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another purported member of the affiliated group? (Such an arrangement may include an option, warrant, conversion feature, or similar arrangement, but is not limited to these arrangements.) If the answer to question 4(a) is "Yes," complete items 4(b), 4(c), 4(d), and 4(e) in Part IV.

Item 4(b).—If the answer to question 4(a) is "Yes," indicate the percentage of the value of the outstanding stock that the person(s) could acquire.

Item 4(c).—If the answer to question 4(a) is "Yes," and the arrangement was associated with voting stock, indicate the percentage of voting stock that the person(s) could acquire.

Item 4(d).—If the arrangement was associated with the acquisition of voting power without the acquisition of the related stock, indicate the percentage of voting power that the persons could acquire.

Item 4(e).—In item 4(e), give a brief description of any arrangement by which a person that is not a member of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation. (Such an arrangement may include an option, warrant, conversion feature, or similar arrangement, but is not limited to these types of arrangements.)