

language “for the carryback year” after “parent.”

4. In paragraph (c), the last sentence of *Example (2)* is amended by removing the language “S-1” and adding “P” in its place.

5. In paragraph (c), *Example (3)*, the seventh sentence is amended by removing “Z must” and adding “X must” in its place.

6. Paragraphs (e) and (f) are added.

The revision and additions read as follows:

§1.1502-78 Tentative carryback adjustments.

(a) *General rule.* If a group has a consolidated net operating loss, a consolidated net capital loss, or a consolidated unused business credit for any taxable year, then any application under section 6411 for a tentative carryback adjustment of the taxes for a consolidated return year or years preceding such year shall be made by the common parent corporation for the carryback year (or agent designated under §1.1502-77(d) for the carryback year) to the extent such loss or unused business credit is not apportioned to a corporation for a separate return year pursuant to §1.1502-21(b), 1.1502-22(b), or 1.1502-79(c). In the case of the portion of a consolidated net operating loss or consolidated net capital loss or consolidated unused business credit to which the preceding sentence does not apply and which is to be carried back to a corporation that was not a member of a consolidated group in the carryback year, the corporation to which such loss or credit is attributable shall make any application under section 6411. In the case of a net capital loss or net operating loss or unused business credit arising in a separate return year which may be carried back to a consolidated return year, after taking into account the application of §1.1502-21(b)(3)(ii)(B) with respect to any net operating loss arising in another consolidated group, the common parent for the carryback year (or agent designated under §1.1502-77(d) for the carryback year) shall make any application under section 6411.

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(e) *Cross-reference.* For further rules applicable to groups that include insol-

vent financial institutions, see §301.6402-7 of this chapter.

(f) *Effective date*—(1) *In general.* This section applies to taxable years to which a loss or credit may be carried back and for which the due date (without extensions) of the original return is after the date final regulations are published in the **Federal Register**.

(2) *Prior law.* For taxable years to which a loss or credit may be carried back and for which the due date (without extensions) is on or before the date final regulations are published in the **Federal Register**, see §1.1502-78 in effect prior to the date final regulations are published in the **Federal Register**, as contained in 26 CFR part 1 revised as of April 1, 2000.

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Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts

Announcement 2000-82

Notice 2000-24, 2000-17 I.R.B. 952, advises organizations that pay premiums on “personal benefit contracts,” as that term is used in section 170(f)(10) of the Internal Revenue Code, of the need to file Form 8870, *Information Return for Transfers Associated With Certain Personal Benefit Contracts*. For taxable years beginning prior to January 1, 2000, such organizations must file Form 8870 by the later of 90 days after the date of the Service’s announcement in the Internal Revenue Bulletin of the availability of Form 8870, or the date the organization is required to file its annual information return.

This announcement advises organizations of the availability of Form 8870. The 90-day period referred to in the Notice begins on the date of publication of this announcement.

Request for Comments Regarding Need for Guidance Clarifying Application of the Internal Revenue Code to Use of the Internet by Exempt Organizations

Announcement 2000-84

The Internal Revenue Service is considering the necessity of issuing guidance that would clarify the application of the Internal Revenue Code to use of the Internet by exempt organizations. Accordingly, the Service is soliciting public comment concerning the application of Code provisions governing exempt organizations to activities they conduct on the Internet. The Service has made no final decision concerning the need for additional guidance of general applicability and may conclude no further action is necessary.

BACKGROUND

Exempt organizations, like other organizations, are increasingly turning to the Internet to carry on their activities. By publishing a webpage on the Internet, an exempt organization can provide the general public with information about the organization, its activities, and issues of concern to the organization, as well as immediate access to websites of other organizations. An exempt organization can provide information to subscribers about issues of concern to the organization as well as enable people with common interests to share information via the Internet through a variety of methods (such as mailing lists, news groups, listserves, chat rooms, and forums).

General Issues

Exempt organizations use the Internet to carry on activities that otherwise can be conducted through other media, such as radio or television broadcasts, print publications, or direct mailings. The growing use of the Internet by exempt organizations raises questions regarding whether clarification is needed concerning the application of the Code to Internet activities. The questions include the following:

- Does a website constitute a single publication or communication? If not, how should it be separated into distinct pub-