

PRACTISING LAW INSTITUTE  
TAX STRATEGIES FOR CORPORATE ACQUISITIONS,  
DISPOSITIONS, SPIN-OFFS, JOINT VENTURES,  
FINANCINGS, REORGANIZATIONS AND  
RESTRUCTURINGS 2009

**Current Developments in Tax-Free and Taxable  
Separations and Acquisitions**

June 2009

Mark J. Silverman  
Steptoe & Johnson LLP  
Washington, D.C.

**TABLE OF CONTENTS**

Internal Revenue Service Circular 230 Disclosure: As provided for in Treasury regulations, advice (if any) relating to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any plan or arrangement addressed herein.

**LEGISLATIVE DEVELOPMENTS**

**Legislative Developments** .....1

**Budget Proposals**.....2

    President’s Budget for FY 2010 .....3

    Budget Resolution.....4

    Treasury Department “Green Book” .....5

**Legislation**.....7

    The Housing and Economic Recovery Act of 2008 .....8

    Emergency Economic Stabilization Act of 2008.....9

    American Recovery and Reinvestment Act of 2009.....11

    Addition of Section 382(n) .....12

    Amendment of Section 172: Small Business NOL.....13

**CASELAW AND ADMINISTRATIVE DEVELOPMENTS**

**Case law and Administrative Developments** .....14

**Final Regulations on Post-Reorganization Transfers – COBE and  
    Treas. Reg. § 1.368-2(k)** .....15

    Post-Reorganization Transfers.....16

    COBE Requirement .....17

    COBE Requirement – “Qualified Group” .....18

COBE Requirement – Partnerships .....	20
Treas. Reg. §1.368-2(k) – Remote Continuity.....	21
Asset Transfers to Corporations – Example 1 -- In General.....	24
Asset Transfers to Corporations – Example 2 -- Non-Controlled Corporations .....	25
Asset Transfers to Corporations – Example 3 -- Non-Controlled Corporations .....	26
Asset Transfers to Corporations – Example 4 -- Diamond Structure .....	27
Asset Transfers to Corporations – Example 5 -- Section 368(c) Control.....	28
Asset Transfers to Corporations – Example 6 -- Section 368(c) Control.....	29
Asset Transfers to Partnerships – Example 1 .....	30
Asset Transfers to Partnerships – Example 2 .....	31
Asset Transfers to Partnerships – Example 3 .....	32
Asset Distributions to Corporations .....	33
Continuity of Business Enterprise: Cross-Chain Transfers .....	34
Cross-Chain Transfers: COBE vs. Step Transaction.....	35
Asset Distributions to Partnerships.....	36
Stock Distributions to Corporations .....	37
Treas. Reg. §1.368-2(k) – 2008 Final Regulations.....	39
Distributions to Former Shareholders of the Acquired Corporation .....	40
<b>Electivity in Reorganization Transactions.....</b>	<b>41</b>
<b>Electivity -- Parent vs. Grandparent Stock .....</b>	<b>42</b>
Parent vs. Grandparent Stock.....	43
<b>Electivity – Step Transaction .....</b>	<b>46</b>
<i>King Enterprises</i> Transaction .....	47
Rev. Rul. 2001-46 – Situation 1.....	48
Final Treas. Reg. § 1.338(h)(10)-1(c)(2), (e).....	49
<i>King Enterprises</i> Transaction – Variation .....	50
<i>King Enterprises</i> Transaction – Variation .....	51
Rev. Rul. 2008-25.....	52
<i>Merrill Lynch v. Commissioner</i> .....	53

<b>Electivity – Liquidation / Reincorporation</b> .....	57
Rev. Rul. 69-617 .....	58
Rev. Rul. 69-617 (Variation) .....	59
Rev. Rul. 69-617 & The New Bausch & Lomb Regulations.....	60
Rev. Rul. 69-617 (Variation) & The New Bausch & Lomb Regulations.....	61
Rev. Rul. 69-617 vs. Drop & Upstream Merger – P.L.R. 200733002 .....	62
<b>Electivity – ‘D’ Reorganizations</b> .....	63
‘D’ Reorganizations – Stock.....	64
‘D’ Reorganizations – Cash – Rev. Rul. 70-240 .....	65
‘D’ Reorganizations – Temporary & Proposed Regulations .....	66
‘D’ Reorganizations – Direct Ownership .....	69
‘D’ Reorganizations – Indirect Ownership.....	70
‘D’ Reorganizations – Constructive Ownership.....	71
‘D’ Reorganizations – PLR 200551018.....	72
Temporary Regulations and Certain Acquisitive Triangular Reorganizations.....	73
<b>Notice 2008-111– Intermediary Transaction Tax Shelter</b> .....	74
Notice 2008-111 -- Overview .....	75
Notice 2008-111 – Effective Date .....	76
Notice 2001-16 – Intermediary Transaction.....	77
Intermediary Tax Shelter Example – Consolidated Group.....	78
Notice 2008-111 – Intermediary Transaction.....	79
Notice 2008-111 – Plan Requirement.....	80
Notice 2008-111 – Knowledge Requirement .....	81
Notice 2008-111 – Four Components of an Intermediary Transaction .....	83
Notice 2008-111 – Safe Harbor Exceptions .....	87
<i>Enbridge Energy Co. v. United States</i> .....	88
<b>Determination of Basis in Property Acquired in Transferred Basis Transactions –</b>	
<b>Notice 2009-4</b> .....	90
Expansion of Revenue Procedure 81-70.....	91
Expanded Rev. Proc. 81-70 .....	92

General Provisions of Expansion of Rev. Proc. 81-70 .....	94
Safe Harbor – Reporting Shareholders .....	95
Safe Harbor – Registered, Non-reporting Shareholders .....	96
Safe Harbor – Nominees of Non-reporting Shareholders.....	97
Reporting Requirements – In General .....	98
Reliance on Expanded Rev. Proc.81-70 .....	99
<b>Caselaw Developments .....</b>	<b>100</b>
<b>Recent Economic Substance Cases.....</b>	<b>101</b>
<i>Coltec</i> Transaction .....	102
<i>Coltec</i> Decision – Court of Federal Claims .....	103
<i>Coltec</i> on Appeal – Federal Circuit .....	105
<i>Coltec</i> Cert. Petition.....	108
<i>Heinz</i> Transaction .....	109
<i>Heinz</i> – Court of Federal Claims .....	110
<i>Jade Trading</i> - Son-of-Boss Transaction.....	113
<i>Jade Trading</i> - Taxpayer’s Position.....	114
<i>Jade Trading</i> - Court of Federal Claims .....	115
<i>Sala v. United States</i> .....	116
<i>Sala v. United States</i> – District Court Decision.....	118
<i>Stobie Creek Investments, LLC v. United States</i> .....	120
<i>Countryside</i> - Facts of Transaction .....	122
<i>Countryside</i> - Tax Issues.....	123
<i>Countryside</i> - Economic Substance .....	124
<i>Countryside</i> - Effect of Continued Litigation? .....	125
<i>Shell Petroleum</i> – Facts of Transaction .....	126
<i>Shell Petroleum</i> – IRS Challenge .....	128
<i>Shell Petroleum</i> – District Court Decision.....	129
<i>Klamath v. United States</i> -- Fifth Circuit Decision.....	130
<b>Audit/Litigation Issues Raised by <i>Coltec</i> .....</b>	<b>133</b>
What Test for Economic Substance Does the Federal Circuit Apply in <i>Coltec</i> ? .....	134
Theory 1: Unitary Test for Economic Reality: Business Purpose Irrelevant.....	135

Theory 2: Unitary Test for Business Purpose: Economic Reality Irrelevant.....	136
Theory 3: Conjunctive Test: Economic Reality and Business Purpose Required or Transaction is a Sham .....	137
Application of Economic Substance Test on a Step-by-Step Basis.....	138
Higher Scrutiny for Related Party Transactions .....	139
Effect of <i>Coltec</i> on Evaluating Forums to Resolve Tax Controversies .....	140
<b>Transactional Tax Issues Raised by <i>Coltec</i></b> .....	141
<i>Coltec</i> Transactional Tax Issues .....	142
Implications of the Step-By-Step Economic Substance Analysis in <i>Coltec</i> for Other Transactions .....	144
Busting Consolidation – Example 1 .....	145
Busting Consolidation – Example 2 .....	146
Avoiding Loss Disallowance Rules .....	147
Sale to Recognize Loss .....	148
Accelerating Built-in Gain .....	149
Section 331 Liquidation.....	150
Section 332 Liquidation.....	151
Check-and-Sell Transaction.....	152
Purchase and Liquidation.....	153
Liquidation and Sale .....	154
Busted Section 351 Transaction to Make Section 338(h)(10) Election.....	155
“C” Reorganization.....	156
‘D’ Reorganizations – Cash – Rev. Rul. 70-240 .....	157
Roll-up Transaction .....	158
Section 304 Cross-Border Transaction .....	159
<b>Economic Bailout Developments / Section 382 Developments</b> .....	160
Notices Affecting Section 382 .....	161
Notice 2008-76.....	162
Notice 2008-84.....	163
Notice 2008-78.....	164
Notice 2008-83.....	170

Notice 2008-100.....	172
Notice 2009-38.....	173
<b>Proposed Basis Allocation Regulations</b> .....	<b>177</b>
Distributions Under Section 301.....	179
Dividend Equivalent Redemptions .....	180
Dividend Equivalent Reorganizations .....	182
Non-Dividend Equivalent Reorganizations .....	186
Other Issues Related to Redemptions .....	187
Section 351 Exchanges .....	188
Capital Contributions and Certain Section 351 Exchanges .....	189
<b>Troubled Companies</b> .....	<b>190</b>
<b>Troubled Companies: Cancellation of Debt and Section 108</b> .....	<b>191</b>
<b>Overview</b> .....	<b>192</b>
In General.....	193
Cancellation of Debt – Basic Example .....	195
<b>Debt Cancellation and Modification: Section 108(a)-(e)</b> .....	<b>196</b>
Debt-for-Cash .....	197
Debt-for-Property.....	198
Debt-for-Debt.....	199
Debt Modification.....	200
Debt-for-Stock .....	201
Capital Contribution of Debt .....	202
<b>Section 108(i)</b> .....	<b>203</b>
Definition of terms .....	206
OID Deferral Rule -- Debt-for-Debt Exchanges.....	208
Section 108(i) – Other rules .....	210

<b>Section 108(i) – Consolidation</b> .....	211
Example 1 – Section 108(i) Election .....	213
Example 2 – Deconsolidation of Debtor Member .....	214
Example 3 -- Section 108(i)(2) – Basic Illustration.....	215
Example 4 – Section 108(i)(2) – Consolidated Issues .....	216
Example 5 -- DSR Approach (Inbound with Debt) .....	217
Example 6 – Intragroup Section 108(i).....	218
Example 7 – DSR Approach (Outbound) .....	219
<b>Troubled Companies: Insolvency and Liability Issues</b> .....	220
Rev. Rul. 2003-125 .....	221
TAM 200914021 (Dec. 8, 2008)— Worthless Stock Deduction for Corporation with No Gross Receipts .....	225
Definition of “Security” – Rev. Rul. 2004-78 .....	226
Acquisition of Related Party Indebtedness – Rev. Rul. 2004-79: Situation 1 .....	227
Rev. Rul. 2004-79: Situation 2 .....	229
<b>Troubled Companies: Liquidations and Upstream Mergers</b> .....	230
In General.....	231
<b>No Net Value Regulations</b> .....	232
In General.....	233
Liquidation vs. Upstream Merger .....	234
Liquidation with No Payment on Common Stock.....	235
Deemed Liquidation.....	236
Revenue Ruling 68-602 .....	237
Revenue Ruling 68-602 – Variation .....	238
CCA 200818005 .....	239
<b>Troubled Companies: Section 351 Incorporations</b> .....	240
In General.....	241
Insolvent Subsidiary.....	243
Underwater Property .....	244

Transfer to Make S Solvent .....	245
<b>Troubled Companies: Tax-Free Reorganizations</b> .....	246
Debtor Consequences.....	247
Creditor Consequences .....	248
<i>Norman Scott, Inc.</i> .....	249
Proposed No Net Value Regulations .....	252
Sideways Asset Reorganization – Parent Debt.....	256
Sideways Asset Reorganization – Third-Party Debt .....	257
Sideways Asset Reorganization – Brother-Sister Debt .....	258
Sideways Asset Reorganization – D Reorganization.....	259
Final Regulations on Creditor Continuity of Interest .....	260
Creditor Continuity of Interest.....	262
<b>Proposed Section 336(e) Regulations</b> .....	263
Section 336(e).....	264
Proposed Section 336(e) Regulations – Transactions Covered .....	265
Section 336(e) – Stock Sale .....	266
Section 336(e) – Taxable Distribution.....	267
Section 336(e) – Section 355 Distribution.....	268
Requirements for Section 336(e) Election.....	269
Section 336(e) vs. Section 338(h)(10) .....	270
Proposed Section 336(e) Regulations – Tax Consequences .....	272
Proposed Section 336(e) Regulations – Tax Consequences of Sale or Exchange.....	273
Proposed Section 336(e) Regulations – Tax Consequences of a Taxable Distribution.....	274
Proposed Section 336(e) Regulations – Tax Consequences of Section 355(d) or (e) Distribution .....	275
<b>Section 355:</b> .....	276
<b>Section 355: Rev. Proc. 2009-25 -- Ruling Requests</b> .....	277
Rev. Proc. 2009-25 – Ruling Requests under Section 355 .....	278

<b>Section 355: Active Trade or Business</b> .....	281
Active Trade or Business Requirement – SAG Rule.....	282
Section 355(b) - Example .....	283
Active Trade or Business Requirement – Sections 355(b)(2)(C) & (D) .....	284
Proposed Regulations – Sections 355(b)(2)(C) & (D).....	285
Section 355(b)(2)(C) vs. 355(b)(2)(D) .....	286
Notice 2007-60: Section 355(b)(2)(C) vs. 355(b)(2)(D) .....	287
Affiliation – SAG vs. non-SAG Members.....	288
Proposed Regulations – Sections 355(b)(2)(C) & (D).....	289
Use of Assets Test: Transfer of Non-ATB Assets .....	293
Use of Assets Test: Non-DSAG Assets .....	294
Use of Assets Test: Acquisition of Distributing .....	295
Sections 355(b)(2)(C) & (D) – Predecessors & Hot Stock.....	296
<b>Section 355: Hot Stock</b> .....	297
Section 335(a)(3)(b) “Hot Stock” .....	298
“Hot Stock” Example –Prior Law.....	299
Temporary Regulations -- Section 335(a)(3)(b) “Hot Stock”.....	301
“Hot Stock” -- Example 1 .....	303
“Hot Stock” -- Example 2 .....	304
“Hot Stock” -- Example 3 .....	305
<b>Section 355: Business Expansion</b> .....	306
Expansion Doctrine – General .....	307
Expansion Doctrine – Examples.....	309
ATB Requirement – Business Expansion.....	310
Rev. Rul. 2003-18.....	311
Rev. Rul. 2003-38.....	312
Rev. Rul. 2003-18 v. Rev. Rul. 2003-38 .....	313
Expansion Doctrine – Proposed Regulations.....	314
Example 1: Direct Acquisition of T Assets by D .....	316
Example 2: Acquisition of T Assets by D/Transitory Ownership .....	317
Example 3: Acquisition of T Assets/Cause to be Directed Transfer .....	318

Example 4: Acquisition of T Assets Directly by C.....	319
Example 5: Expansion of Business through Stock Acquisition; Spin-Off of Newly Acquired Corporation .....	320
Example 6: Indirect Expansion of D’s Business through Acquisition of T Stock.....	321
Example 7: Acquisition of T Stock by D with Section 338(h)(10) Election .....	322
Example 8: Acquisition of T Assets by Holding Company D.....	323
Example 9: Acquisition of T Assets by Holding Company D.....	324
<b>Section 355: Partnerships</b> .....	<b>325</b>
Partnership Attribution – Rev. Rul. 92-17 .....	326
Partnership Attribution – Revenue Ruling 2002-49; Situation 1 .....	327
Partnership Attribution – Revenue Ruling 2002-49; Situation 2.....	328
Partnership Attribution – Proposed Regulations.....	329
Section 355 and the Use of Partnerships:	
Example 1: 20% Managing General Partner (Rev. Rul. 92-17) .....	332
Section 355 and the Use of Partnerships:	
Example 2: 33 1/3 %Member (Revenue Ruling 2007-42) .....	333
Section 355 and the Use of Partnerships:	
Example 3: Managing Member in Limited Liability Company .....	334
Section 355 and the Use of Partnerships:	
Example 4: Business Held Through Disregarded Entities.....	335
Section 355 and the Use of Partnerships:	
Example 5: 20% Managing General Partner Held Through SM LLC.....	336
Section 355 and the Use of Partnerships:	
Example 6: 1% Managing Partner & 19% Limited Partner .....	337
Section 355 and the Use of Partnerships:	
Example 7: 1% Managing General Partner .....	338
Section 355 and the Use of Partnerships:	
Example 8: 2% Partner; Affiliate Holds 18% and Management .....	339
Section 355 and the Use of Partnerships:	
Example 9: 50% Partner in General Partnership with Shared Management .....	340
Section 355 and the Use of Partnerships:	
Example 10: 40% Partner in General Partnership with Blocking Rights .....	341
Section 355 and the Use of Partnerships:	
Example 11: Business Contributed to Partnership during 5-Year Period.....	342
Section 355 and the Use of Partnerships:	
Example 12: Section 355 Active Trade or Business.....	343

Section 355 and the Use of Partnerships: Revenue Ruling 2002-49: Variation .....	344
<b>Section 355(g)</b> .....	346
Section 355(g) – Transactions Involving Disqualified Investment Companies .....	347
Section 355(g) – Example.....	349
<b>Consolidated Return Issues</b> .....	350
<b>Loss Disallowance Rules</b> .....	351
<b>LDR Background</b> .....	352
LDR Background Reg. § 1.1502-32 -- Investment Adjustments.....	353
LDR Background Investment Adjustments and the “Son of Mirrors” Transaction -- Variation 1 .....	355
LDR Background Investment Adjustments and the “Son of Mirrors” 355 Transaction -- Variation 2 – “Bust-Up” .....	356
LDR Background “Duplicated Loss” .....	357
Loss Disallowance Rules -- Background.....	358
History of the Extremely Controversial Loss Disallowance Rules .....	359
<i>Rite Aid Corp. v. U.S.</i> .....	360
<i>Rite Aid</i> , Notice 2002-11 and <i>Square D</i> .....	361
<i>Rite Aid</i> - Analysis of Court of Appeals for Federal Circuit .....	362
Consideration Should Be Given to Whether Any of the Following are Potentially Invalid Consolidated Return Regulations Under the <i>Rite Aid</i> Rationale .....	363
Legislative Initiative to Limit Impact of <i>Rite Aid</i> .....	365
IRS Response to <i>Rite Aid</i> - Notice 2002-11.....	366
IRS Response to <i>Rite Aid</i> .....	367
<b>Prior Loss Disallowance Rules</b> .....	369
Treas. Reg. § 1.1502-20.....	370
Prior Reg. § 1.337(d)-2 v. Reg. § 1.337(d)-2 v. Reg. § 1.1502-20 v. Reg. § 1.1502-20 “Lite” .....	372
Reg. § 1.1502-20 v. Reg. § 1.1502-20 “Lite” v. Reg. § 1.337(d)-2.....	373
Treas. Reg. § 1.337(d)-2 .....	374
Interpreting Treas. Reg. § 1.337(d)-2.....	375

Basis Disconformity Method Under Notice 2004-58 .....	376
Treas. Reg. § 1.337(d)-2 - Example 1 -- Basis Disconformity Method vs. Tracing Method.....	377
Treas. Reg. § 1.337(d)-2 - Example 2 -- Basis Disconformity Method vs. Tracing Method.....	378
Treas. Reg. § 1.337(d)-2 - Example 3 -- Basis Disconformity Method vs. Tracing Method.....	379
Treas. Reg. § 1.337(d)-2 .....	380
Treas. Reg. § 1.337(d)-2 - Example 4 (Wasting Asset).....	381
Treas. Reg. § 1.337(d)-2 - Example 5 (Wasting Asset).....	382
Treas. Reg. § 1.337(d)-2 - Example 6 (Wasting Asset).....	383
Loss Reattribution -- Prior Periods .....	384
Loss Reattribution -- Reg. § 1.1502-20 v. Reg. § 1.337(d)-2 .....	388
Treas. Reg. § 1.337(d)-2 .....	389
Considerations for Selling Consolidated Groups.....	390
Treas. Reg. § 1.1502-20.....	391
Treas. Reg. § 1.1502-20 Election.....	392
Amending Waivers of Loss Carryovers after Election to Apply Reg. § 1.1502-20 “Lite” or Reg. § 1.337(d)-2 .....	395
Deemed Waiver Rule For Loss Carryovers after Election to Apply Reg. § 1.1502-20 “Lite” or Reg. § 1.337(d)-2 .....	398
Notice 2002-18.....	399
Preferred Stock Loss Generator .....	400
Treas. Reg. § 1.1502-35 - Elimination of Duplicated Losses.....	401
Treas. Reg. § 1.1502-35(b) - Basis Redetermination Rule in General .....	402
Treas. Reg. § 1.1502-35(b)(1) - Basis Redetermination Rule if Subsidiary Remains Consolidated .....	403
Treas. Reg. § 1.1502-35 - Basis Redetermination Rule Example-No Deconsolidation.....	404
Treas. Reg. § 1.1502-35 - Basis Redetermination Rule -- Treatment of ELA .....	405
Treas. Reg. § 1.1502-35(b)(2) - Basis Redetermination Rule if Subsidiary is Deconsolidated.....	406
Treas. Reg. § 1.1502-35 - Basis Redetermination Rule Example--Deconsolidation .....	408
Treas. Reg. § 1.1502-35(c) - Loss Suspension Rule in General.....	409

Treas. Reg. § 1.1502-35(c) - Calculation of Duplicated Loss under Loss Suspension Rule .....	410
Treas. Reg. § 1.1502-35(c) - Treatment of Suspended Loss .....	411
Treas. Reg. § 1.1502-35(c) - Allowance of Suspended Loss.....	412
Treas. Reg. § 1.1502-35 - Loss Suspension Rule Example .....	413
Treas. Reg. § 1.1502-35 - Basis Redetermination Rule and Loss Suspension Rule Example.....	414
Treas. Reg. § 1.1502-35 - Ordering Rules .....	419
Treas. Reg. § 1.1502-35(f) - Worthlessness and Dispositions Not Followed by Separate Return Years.....	420
Worthlessness and Temp. Reg. § 1.1502-35(f).....	421
<b>Final Unified Rule Treas. Reg. § 1.1502-36 .....</b>	<b>424</b>
Unified Rule on Loss on Subsidiary Stock.....	425
Unified Rule – In General.....	426
Unified Rule – Timing .....	427
Basis Redetermination .....	428
Basis Redetermination – Ex. 1 .....	431
Basis Redetermination – Ex. 2.....	433
Basis Reduction .....	435
Basis Reduction: Netting Rule.....	437
Basis Reduction – Ex. 1 .....	438
Basis Reduction – Ex. 2 .....	439
Basis Reduction – Ex. 3.....	440
Basis Reduction – Ex. 4.....	441
Basis Reduction – Ex. 5 .....	442
Attribute Reduction.....	443
Attribute Reduction – 5 Percent Reduction .....	445
Attribute Reduction.....	446
Attribute Reduction – Lower-Tier Subsidiaries.....	448
Attribute Reduction – Election to Prevent Attribute Reduction .....	452
Attribute Reduction: Ex. 1 .....	454
Attribute Reduction: Ex. 2 .....	455

Section 362(e)(2) .....	456
Anti-Abuse Rule .....	457
<b>Intragroup Debt Regulations - § 1.1502 – 13(g)</b> .....	458
Overview .....	459
Former Regulations .....	461
2008 Final Regulations – In General .....	462
2008 Final Regulations – Deemed Satisfaction-Reissuance Model .....	463
2008 Final Regulations – Use of fair Market Value .....	464
2008 Final Regulations – Intragroup Transaction Exceptions.....	465
2008 Final Regulations – Section 351 Exchanges .....	466
2008 Final Regulations – Outbound and Inbound Transaction Exceptions .....	467
2008 Final Regulations – Anti-Abuse Rules .....	468
2008 Final Regulations – Outbound Transaction .....	469
2008 Final Regulations – Intragroup Transaction .....	470
2008 Final Regulations – Inbound Transaction .....	471
<b>Temp. Treas. Reg. § 1.1502-13T(c)(6)(ii)(C)</b> .....	472
<b>Intercompany Reorganizations</b> .....	477
Temp. Treas. Reg. § 1.1502-13(f)(5) – In General.....	478
Temp. Treas. Reg. § 1.1502-13(f)(5) – Upstream Transactions.....	479
Temp. Treas. Reg. § 1.1502-13(f)(5) – No Election.....	480
Temp. Treas. Reg. § 1.1502-13(f)(5) –Election.....	481
<b>Contingent Liabilities</b> .....	482
Contingent Liabilities in Taxable Asset Acquisitions .....	483
Contingent Liabilities: Assumed Obligation?.....	485
Consequences of an Assumed Liability .....	491
Consequences of an Assumed Liability: To the Seller .....	492
Consequences of an Assumed Liability: To the Buyer.....	496
Contingent Liabilities: Section 338(h)(10) .....	499

