

# Reconciliation of Schedule M-3 Taxable Income with Tax Return Taxable Income for Mixed Groups

OMB No. 1545-2062

▶ Attach to Schedule M-3 for Forms 1120, 1120-L, or 1120-PC.

Name of common parent		Employer identification number
<b>1</b>	Enter the tax reconciliation amount from the applicable line of Schedule M-3 (see instructions) . . . . .	<b>1</b>
<b>2a</b>	Life/non-life loss limitation amount . . . . .	<b>2a</b>
<b>b</b>	Limitation on non-insurance losses (Form 1120-L, page 1, line 25) . . . . .	<b>2b</b>
<b>c</b>	Amount subtracted from policyholders surplus account (Form 1120-L, page 1, line 26) . . . . .	<b>2c</b>
<b>d</b>	(1) Non-life capital loss limitation . . . . .	<b>2d(1)</b>
	(2) Life capital loss limitation . . . . .	<b>2d(2)</b>
<b>e</b>	(1) Non-life charitable deduction limitation . . . . .	<b>2e(1)</b>
	(2) Life charitable deduction limitation . . . . .	<b>2e(2)</b>
<b>f</b>	(1) Non-life dual consolidated loss amount disallowed . . . . .	<b>2f(1)</b>
	(2) Life dual consolidated loss amount disallowed . . . . .	<b>2f(2)</b>
<b>3</b>	Combine lines 1 through 2f(2) . . . . .	<b>3</b>
<b>4a</b>	(1) Non-life net operating loss deduction . . . . .	<b>4a(1)</b>
	(2) Life operations loss deduction . . . . .	<b>4a(2)</b>
<b>b</b>	(1) Non-life dividends received deduction . . . . .	<b>4b(1)</b>
	(2) Life dividends received deduction . . . . .	<b>4b(2)</b>
<b>c</b>	(1) Non-life capital loss carryforward used . . . . .	<b>4c(1)</b>
	(2) Life capital loss carryforward used . . . . .	<b>4c(2)</b>
<b>d</b>	(1) Non-life charitable deduction carryforward used . . . . .	<b>4d(1)</b>
	(2) Life charitable deduction carryforward used . . . . .	<b>4d(2)</b>
<b>e</b>	Small life insurance company deduction (Form 1120-L, page 1, line 23) . . . . .	<b>4e</b>
<b>5</b>	Add lines 4a(1) through 4e . . . . .	<b>5</b>
<b>6</b>	Subtract line 5 from line 3 . . . . .	<b>6</b>
<b>7</b>	Other adjustments to reconcile to taxable income on tax return (attach schedule) . . . . .	<b>7</b>
<b>8</b>	<b>Total.</b> Combine lines 6 and 7. This amount must equal the amount reported on the "Taxable income" line of the consolidated Form 1120, Form 1120-L, or Form 1120-PC (see instructions) . . . . .	<b>8</b>

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

The IRS will revise this December 2008 version of the Form 8916 only when necessary. Continue to use this version of Form 8916 for tax years beginning after 2007 until a new revision is issued.

### Purpose of Form

Use Form 8916 to reconcile Schedule M-3 taxable income to tax return taxable income for a mixed group, which is a consolidated tax group which uses two or more of the following tax return forms: Form 1120, 1120-L, or 1120-PC. A mixed group is a consolidated tax group that (1) includes both a corporation that is an insurance company and a corporation that is not an insurance company, (2) includes both a life insurance company and a property and casualty insurance company, or (3) includes a life insurance company, a property and casualty insurance company, and a corporation that is not an insurance company.

### Who Must File

Form 8916 must be filed by a mixed group consisting of filers of Form 1120, 1120-L, or 1120-PC that is required to file Schedule M-3.

### How To File

Attach Form 8916 to the consolidated Schedule M-3. Taxpayers must summarize the taxpayer tax return taxable income calculation workpapers on Form 8916 and retain those workpapers. The taxable income calculation workpapers need not be submitted with the Form 8916.

## Specific Instructions

**Line 1. Schedule M-3 tax reconciliation amount.** The amount on line 1 must equal the tax reconciliation amount from the applicable line of Schedule M-3. For example, this amount was reported on Part II, line 30, column (d), of the 2008 Schedule M-3 for Forms 1120, 1120-L, or 1120-PC.

**Line 2a. Life/non-life loss limitation amount.** Enter any life/non-life loss limitation amount from the supporting workpapers.

**Line 7. Other adjustments to reconcile to taxable income on tax return.** Enter on line 7, any other adjustments necessary to reconcile to taxable income reported on the consolidated income tax return from the supporting workpapers and attach a short explanation of the adjustment.

**Line 8. Total.** The amount on line 8 must equal the "Taxable income" line of the applicable consolidated income tax return. For example, see the 2008 Form 1120, page 1, line 30; 2008 Form 1120-L, page 1, line 27; or 2008 Form 1120-PC, Schedule A, line 37.

## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . . 6 hr., 27 min.

**Learning about the law or the form** . . . . . 6 min.

**Preparing, copying, assembling, and sending the form to the IRS** . . . . . 12 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.