

**Major Changes to Form 1120L,
U.S. Life Insurance Company Income Tax Return**

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- 1) **Item A.** We revised the wording of check box 2 to correspond to the wording of the new check box 2 added to the Forms 1120 and 1120-PC, which indicates whether the return is a life-nonlife mixed group with a nonlife insurance company income tax return attached.
- 2) **Item A.** We changed the text of check box 3 from "Schedule M-3 required (attach Sch. M-3)" to "Schedule M-3 (Form 1120-L) attached." We did this to remove the word "required" as the Schedule M-3 (Form 1120-PC) can be voluntarily filed and to specifically reference the Schedule M-3 (Form 1120-L).
- 3) **Line 29i.** We deleted line 29i concerning the credit for the federal telephone excise tax paid and renumbered all subsequent lines under line 29.

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- 1) We deleted the 2006 Schedule J (Parts I and II) and replaced it with the Schedule J from the 2004 Form 1120-L. (See 6 the next page for the as it appeared in 2004. 2004 Schedule J.) Under section 815 of the American Jobs Creation Act of 2004 (AJCA), distributions from the policyholders surplus account of a life insurance company were not taxable from 2005 through 2006. Distributions after December 31, 2006 are treated as they were in 2004, before the effective date of the AJCA, and properly recorded on the Schedule J as it appeared in 2004.
- 2) We revised Schedule J, Part I, line 2c to refer to Schedule A, line 16 instead of 17.
- 3) Schedule K, 5b. We deleted language providing for the qualified electric vehicle credit and inserted "Credits from Forms 5735 and 8834."
- 4) Schedule K, 5c. We added checkboxes for Forms 8864 and 5884 as these forms will be removed from Form 3800 to account for the waiver of AMT on the related credits. (Sec. 8214 of P.L. 110-128)

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- 1) We deleted the note concerning Schedule N at the bottom of Schedule M.