

ELECTRONIC CODE OF FEDERAL REGULATIONS

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Title 26: Internal Revenue
[PART 1—INCOME TAXES](#)

§1.28-0 Credit for clinical testing expenses for certain drugs for rare diseases or conditions; table of contents.

In order to facilitate use of §1.28-1, this section lists the paragraphs, subparagraphs, and subdivisions contained in §1.28-1.

- (a) General rule.
- (b) Qualified clinical testing expenses.
 - (1) In general.
 - (2) Modification of section 41(b).
 - (3) Exclusion for amounts funded by another person.
 - (i) In general.
 - (ii) Clinical testing in which taxpayer retains no rights.
 - (iii) Clinical testing in which taxpayer retains substantial rights.
 - (A) In general.
 - (B) Drug by drug determination.
 - (iv) Funding for qualified clinical testing expenses determinable only in subsequent taxable years.
 - (4) Special rule governing the application of section 41(b) beyond its expiration date.
- (c) Clinical testing.
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 - (3) Definition of “carried out under” section 505(i).
 - (d) Definition and special rules.
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 - (A) In general.
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(C) Computation of cost.

(D) Allocation of common costs. Costs for developing and making available the designated drug for both the disease or condition for which it is designated and one or more other diseases or conditions.

(iii) Recovery from sales.

(iv) Recordkeeping requirements.

(2) Tax liability limitation.

(i) Taxable years beginning after December 31, 1986.

(ii) Taxable years beginning before January 1, 1987, and after December 31, 1983.

(iii) Taxable years beginning before January 1, 1984.

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(ii) Corporations to which section 934(b) applies.

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(i) Controlled group of corporations: organizations under common control.

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(B) Definition of controlled group of corporations.

(C) Definition of organization.

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(ii) Tax accounting periods used.

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(iv) Intra-group transactions.

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(6) Allocations.

- (i) Pass-through in the case of an S corporation
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- (A) In general.
- (B) Certain partnership non-business expenditures.
- (C) Apportionment.
- (iv) Year in which taken into account.
- (v) Credit allowed subject to limitation.
- (7) Manner of making an election.

[T.D. 8232, 53 FR 38710, Oct. 3, 1988; 53 FR 40879, Oct. 19, 1988]

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