

### **32 T.C. 743 (1959)**

A corporation that commences business after the beginning of its base period, and which does not fall under specific exceptions, qualifies as a “new corporation” and is entitled to calculate its average base period net income under the provisions of Section 445 of the 1939 Internal Revenue Code.

#### **Summary**

The United States Tax Court considered whether Aurora Paperboard Company, a subsidiary of The Davey Company, qualified as a “new corporation” under Section 445 of the 1939 Internal Revenue Code, allowing it to calculate its separate average base period net income using a specified method. The Commissioner argued that Aurora was an