A section 338(h)(10) election is made jointly by Purchaser and Seller on Form 8023.

**Deemed Asset Sale**: Old Target is treated as transferring all of its assets to an unrelated person in exchange for consideration that includes the discharge of its liabilities. This deemed sale occurs while Old Target is still a member of Seller's consolidated group.

**Deemed Liquidation**: Old Target is treated as if it transferred all of its assets, in liquidation, to Seller and then it ceased to exist.

A section 338(h)(10) election can also be made if the Target is an S corporation.