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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9750]

RIN 1545-BM59

Reporting of Original Issue Discount on Tax-Exempt Obligations; Basis and Transfer Reporting by Securities Brokers for Debt Instruments and Options; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9750) that were published in the **Federal Register** on Thursday, February 18, 2016 (81 FR 8149). The final regulations relate to information reporting by brokers for transactions involving debt instruments and options, including the reporting of original issue discount (OID) on tax-exempt obligations, the treatment of certain holder elections for reporting a taxpayer's adjusted basis in a debt instrument, and transfer reporting for section 1256 options and debt instruments.

DATES: This correction is effective **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** and applicable February 18, 2016.

FOR FURTHER INFORMATION CONTACT: Pamela Lew at (202) 317-7053 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9750) that are the subject of this correction are under section 6045, 6045A, and 6049 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9750) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR Part 1 is corrected by making the following correcting amendments:

PART 1 - INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.6045-1 is amended by revising the third sentence of paragraph (n)(4) to read as follows:

§ 1.6045-1 Returns of information of brokers and barter exchanges.

* * * * *

(n) * * *

(4) * * * See paragraph (n)(11) of this section for the treatment of an election described in paragraph (n)(4)(iii) of this section (election to accrue market discount based on a constant yield) and an election described in paragraph (n)(4)(iv) of this section (election to treat all interest as OID).

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§1.6045A-1 [Corrected]

Par. 3. Section 1.6045A-1 is amended by removing “and;” at the end of paragraphs (b)(3)(ix) and (b)(4)(iii) and adding “; and” in its place.

§1.6049-9 [Corrected]

Par. 4. Section 1.6049-9(c) is amended by revising the citation “§ 1.6049-10T” to read “§ 1.6049-10” in the last sentence.

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