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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9770]

RIN 1545-BN39

Certain Transfers of Property to Regulated Investment Companies [RICs] and Real Estate Investment Trusts [REITs]; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations; correcting amendment.

SUMMARY: This document contains a correction to final and temporary regulations (TD 9770) that were published in the **Federal Register** on June 8, 2016 (81 FR 36793). The final and temporary regulations effect the repeal of the General Utilities doctrine by the Tax Reform Act of 1986 and prevent abuse of the Protecting Americans from Tax Hikes Act of 2015. The temporary regulations impose corporate level tax on certain transactions in which property of a C corporation becomes the property of a REIT.

DATES: This correction is effective on **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** and applicable on June 8, 2016.

FOR FURTHER INFORMATION CONTACT: Austin M. Diamond-Jones at (202) 317-5085 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (TD 9770) that are the subject of this correction are under section 337(d) of the Internal Revenue Code.

Need for Correction

As published, the final and temporary regulations (TD 9770) contain an error that may prove to be misleading and is 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 amendment:

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 1.337(d)-7T is amended by revising paragraph (f)(3)(iii) to read as follows:

§1.337(d)-7T Tax on property owned by a C corporation that becomes property of a RIC or REIT.

* * * * *

(f) * * *

(3) * * *

(iii) The related section 355 distribution occurred before December 7, 2015 or is described in a ruling request referred to in section 311(c) of Division Q of the Consolidated Appropriations Act, 2016, Public Law 114-113, 129 Stat. 2422.

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