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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9766]

RIN 1545-BM87

Self-Employment Tax Treatment of Partners in a Partnership That Owns a Disregarded Entity; 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 9766) that were published in the **Federal Register** on May 4, 2016 (81 FR 26693). The final and temporary regulations clarify the employment tax treatment of partners in a partnership that owns a disregarded entity.

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]** and applicable on May 4, 2016.

FOR FURTHER INFORMATION CONTACT: Andrew Holubeck at (202) 317-4774 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (TD 9766) that are the subject of this correction are under section 7701 of the Internal Revenue Code.

Need for Correction

As published, the final and temporary regulations (TD 9766) contains an error that may prove to be misleading and is in need of clarification.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 301 is corrected by making the following correcting amendment:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

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

Par. 2. Section 301.7701-2T is amended by revising paragraph (e)(8)(ii) to read as follows:

§ 301.7701-2T Business entities; definitions (temporary).

* * * * *

(e) * * *

(8) * * *

(ii) Expiration date. The applicability of paragraph (c)(2)(iv)(C)(2) of this section expires on or before May 3, 2019, or such earlier date as may be determined under amendments to the regulations issued after May 3, 2016.

Martin V. Franks
Chief
Publications and Regulations Branch
Legal Processing Division
Associate Chief Counsel
(Procedure and Administration)6

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