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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9777]

RIN 1545-BG41; RIN 1545-BH38

Arbitrage Guidance for Tax-Exempt Bonds; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations; correction.

SUMMARY: This document contains corrections to final regulations (TD 9777) that were published in the **Federal Register** on Monday, July 18, 2016 (81 FR 46582). The final regulations relate to the arbitrage restrictions under section 148 of the Internal Revenue Code applicable to tax-exempt bonds and other tax-advantaged bonds issued by State and local governments.

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

FOR FURTHER INFORMATION CONTACT: Spence Hanemann at (202) 317-6980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9777) that are the subject of this correction are under section 148 of the Internal Revenue Code.

Need for Correction

As published, the final regulation (TD 9777) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the final regulation (TD 9777), that is the subject of FR Doc. 2016-16558, are corrected as follows:

1. On page 46591, in the preamble, the second column, under the paragraph heading “Applicability Dates”, a second paragraph is added after the last sentence to read as follows: “In addition, the amendments to §1.148-3(j) in the Final Regulations apply to bonds subject to §1.148-3(i). For this purpose, a bond is considered to be subject to §1.148-3(i) if the issue of which the bond is a part is subject to the version of §1.148-3(i) published in TD 8476 (58 FR 33510) or any subsequent version.”.

2. On page 46591, in the preamble, the second column, under the paragraph heading “Effect on Other Documents”, the first line, the language “As of July 18, 2016, Revenue” is corrected to read “As of October 17, 2016, Revenue”.

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