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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9776]

RIN 1545-BM74

Income Inclusion When Lessee Treated as Having Acquired Investment Credit Property;
Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations; correcting amendment.

SUMMARY: This document contains a correction to temporary regulations (TD 9776) that were published in the **Federal Register** on July 22, 2016 (81 FR 47701). The temporary regulations provide guidance regarding the income inclusion rules under section 50(d)(5) of the Internal Revenue Code (Code) that are applicable to a lessee of investment credit property when a lessor of such property elects to treat the lessee as having acquired the property.

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]** and applicable on July 22, 2016.

FOR FURTHER INFORMATION CONTACT: Jennifer Records at (202) 317-6853 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations (TD 9776) that are the subject of this correction are under section 50 of the Internal Revenue Code.

Need for Correction

As published, the temporary regulations (TD 9776) 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 * * *

§ 1.50-1T [Amended]

Par. 2. In § 1.50-1T:

1. Paragraph (b)(3)(ii) is amended by removing the language ““Investment Credit”,” and adding ““Investment Credit,”” in its place.

2. Paragraph (e) Example 1. and 3. are amended by removing the language “July 1, 2016.” and adding “October 1, 2016.” in its place.

3. Paragraph (e) Example 2. is amended by removing the language “paragraph (e).” and adding “paragraph (e),” in its place.

Martin V. Franks
Chief
Publications and Regulations Branch
Legal Processing Division

Associate Chief Counsel
(Procedure and Administration)

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