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[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9787]

RIN 1545-BK29

Section 707 Regarding Disguised Sales, Generally; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9787) that were published in the **Federal Register** on Wednesday, October 5, 2016 (81 FR 69291). The final regulations are under sections 707 and 752 of the Internal Revenue Code.

DATES: This correction is effective **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** and is applicable on and after October 5, 2016.

FOR FURTHER INFORMATION CONTACT: Deane M. Burke or Caroline E. Hay at (202) 317-5279 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

**Background**

The final regulations (TD 9787) that are the subject of this correction are under sections 707 and 752 of the Internal Revenue Code.

## **Need for Correction**

As published, the final regulations (TD 9787) 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 \* \* \*

Section 1.707-5 also issued under 26 U.S.C. 707(a)(2)(B).

## **§1.707-5 [Amended]**

**Par. 2.** For each entry in §1.707-5(f) in the “Section” column, remove the language in the “Remove” column from wherever it appears in the Example and add in its place the language in the “Add” column as set forth below:

<b>Section</b>	<b>Remove</b>	<b>Add</b>
Paragraph (f) <u>Example 5</u> (i).	2016	2017
Paragraph (f) <u>Example 10</u> (i).	2016	2017
Paragraph (f) <u>Example 10</u> (ii).	2016	2017
Paragraph (f) <u>Example 11</u> (i).	2016	2017
Paragraph (f) <u>Example 11</u> (ii).	2016	2017
Paragraph (f) <u>Example 12</u> (i).	2016	2017

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

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