



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9803]

RIN 1545-BL87

Treatment of Certain Transfers of Property to Foreign Corporations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9803) that were published in the **Federal Register** on Friday, December 16, 2016. The final regulations are related to certain transfers of property by United States persons to foreign corporations.

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and is applicable on or after December 16, 2016.

FOR FURTHER INFORMATION CONTACT: Lynlee Baker at (202) 317-6937 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9803) that are the subject of this correction are issued under section 367 of the Internal Revenue Code.

Need for Correction

As published, the final regulations published in the **Federal Register** on Friday, December 16, 2016 (81 FR 91012) (TD 9803) contain an error that needs to be corrected. Specifically, paragraph (e) was inadvertently omitted from the final regulations.

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 1.367(a)-1 is amended by adding paragraph (e) to read as follows:

§1.367(a)-1 Transfers to foreign corporations subject to section 367(a): In general.

* * * * *

(e) *Close of taxable year in certain section 368(a)(1)(F) reorganizations.* If a domestic corporation is the transferor corporation in a reorganization described in section 368(a)(1)(F) after March 30, 1987, in which the acquiring corporation is a foreign corporation, then the taxable year of the transferor corporation shall end with the close of the date of the transfer and the taxable year of the acquiring corporation shall end

with the close of the date on which the transferor's taxable year would have ended but for the occurrence of the transfer. With regard to the consequences of the closing of the taxable year, see section 381 and the regulations thereunder.

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