



[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. 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), published October 5, 2016 (81 FR 69291), 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 an error 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 * * *

§1.707-9 [Amended]

Par. 2. Section 1.707-9 is amended by revising the second sentence in paragraph (a)(1) to read as follows:

§1.707-9 Effective dates and transitional rules.

(a) * * *

(1) * * * For any transaction with respect to which all transfers that are part of a sale of an item of property occur after April 24, 1991, and any of such transfers occurs before October 5, 2016, §§ 1.707-3 through 1.707-6 as contained in 26 CFR part 1 revised as of April 1, 2016, apply.

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[FR Doc. 2018-21673 Filed: 10/4/2018 8:45 am; Publication Date: 10/5/2018]