



[4830-01-P]

Department of the Treasury

Internal Revenue Service

26 CFR Part 1

[TD 9879]

RIN 1545–BO94

Information Reporting for Certain Life Insurance Contract Transactions and Modifications to the Transfer for Valuable Consideration Rules; Correcting Amendment

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to Treasury Decision 9879, which was published in the **Federal Register** on Thursday, October 31, 2019. Treasury Decision 9879 contained final regulations providing guidance on new information reporting obligations under section 6050Y related to reportable policy sales of life insurance contracts and payments of reportable death benefits and guidance on the amount of death benefits excluded from gross income under section 101 following a reportable policy sale.

DATES: *Effective date.* This correction is effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] and is applicable on October 31, 2019.

FOR FURTHER INFORMATION CONTACT: Kathryn M. Sneade (202) 317-6995 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9879) that are the subject of this correction are under sections 101 and 6050Y of the Internal Revenue Code.

Need for Correction

As published October 31, 2019 (84 FR 58460), the final regulations (TD 9879; FR Doc. 2019-23559) contained errors that may prove misleading and therefore need to be corrected.

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 * * *

Par. 2. Section 1.101-1 is amended by:

- a. Revising paragraph (d)(2)(ii)(A)(1).
- b. In paragraph (f)(4)(ii), removing the word “consist” and adding in its place “consists.”

The revision reads as follows:

§1.101-1 Exclusion from gross income of proceeds of life insurance contracts payable by reason of death.

* * * * *

(d) * * *

(2) * * *

(ii) * * *

(A) * * *

(1) Is an employee within the meaning of section 101(j)(5)(A) of the acquired trade or business immediately preceding the acquisition (for purposes of this paragraph (d)(2)(ii)(A)(1), however, the reference in section 101(j)(5)(A) to highly compensated employee within the meaning of section 414(q) does not include a former employee); or

* * * * *

Par. 3. Section 1.6050Y-1(b) introductory text is amended by adding a sentence after the second sentence and revising the last sentence to read as follows:

§1.6050Y-1 Information reporting for reportable policy sales, transfers of life insurance contracts to foreign persons, and reportable death benefits.

* * * * *

(b) * * * This section and §1.6050Y-3 apply to any notice of a transfer to a foreign person received after December 31, 2018. However, for reportable policy sales and payments of reportable death benefits occurring after December 31, 2018, and on or

before December 31, 2019, and any notice of a transfer to a foreign person received after December 31, 2018, and on or before December 31, 2019, transition relief is provided as follows:

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