



## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9939]

RIN 1545-BP49

### Qualified Transportation Fringe, Transportation and Commuting Expenses Under Section 274; Correction

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Correcting amendments.

**SUMMARY:** This document contains corrections to the final regulations (Treasury Decision 9939), that were published in the **Federal Register** on Wednesday, December 16, 2020. The final regulations provide guidance regarding the elimination of the deduction for expenses related to certain transportation and commuting benefits provided by employers to their employees. The final regulations affect taxpayers who pay or incur such expenses.

**DATES:** These corrections are effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and applicable for taxable years beginning on or after December 16, 2020.

**FOR FURTHER INFORMATION CONTACT:** Patrick Clinton of the Office of Associate Chief Counsel (Income Tax and Accounting), (202) 317-7005 (not a toll-free number).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The final regulations (TD 9939) that are the subject of this correction are issued under section 274 of the Internal Revenue Code.

##### **Need for Correction**

As published on December 16, 2020 (85 FR 81391), the final regulations (TD 9939) contain errors that 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 1.274-13 is amended by revising the fifth sentence of paragraph (d)(2)(ii)(A) and the first sentence of paragraph (f)(8)(iv) to read as follows:

### **§ 1.274–13 Disallowance of deductions for certain qualified transportation fringe expenditures.**

\* \* \* \* \*

(d) \* \* \*

(2) \* \* \*

(ii) \* \* \*

(A) \* \* \* In addition, the exception to the disallowance for amounts treated as employee compensation provided for in section 274(e)(2) and in paragraph (e)(2)(i) of this section cannot be applied to reduce a section 274(a)(4) disallowance calculated using this methodology. \* \* \*

\* \* \* \* \*

(f) \* \* \*

(8) \* \* \*

(iv) \* \* \* The primary use of H's leased parking facility under paragraph (d)(2)(ii)(B)(2) of this section is not to provide parking to the general public because 60% (60/100 = 60%) of the lot is used by its employees. \* \* \*

\* \* \* \* \*

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