



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 10016]

RIN 1545-BO07

Taxable Income or Loss and Currency Gain or Loss With Respect to a Qualified Business Unit; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final rule; correction and correcting amendments.

SUMMARY: This document includes corrections to a final regulation (Treasury Decision 10016) published in the **Federal Register** on Wednesday, December 11, 2024.

Treasury Decision 10016 contained final regulations relating to the determination of taxable income or loss and foreign currency gain or loss with the respect to a qualified business unit.

DATES: These corrections are effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. For dates of applicability, see §1.987-15.

FOR FURTHER INFORMATION CONTACT: Concerning the final regulations generally, Adam G. Province at (865) 329–4546; concerning the character and source of section 987 gain or loss, Larry Pounders at (202) 317–5465; concerning consolidated groups, Jeremy Aron-Dine at (202) 317–6847 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 10016) that are the subject of this correction are under sections 861, 985 through 989, and 1502 of the Internal Revenue Code.

Corrections to Publication

Accordingly, FR Doc. 2024-28372 (TD 10016) appearing on page 100138 in the **Federal Register** on Wednesday, December 11, 2024, is corrected as follows:

1. On page 100155, in the third column, under the caption “A. Loss Suspension Rule 1. In General”, the second line of the third full paragraph is corrected to read “proposed § 1.987-11(c)”.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction to the Regulations

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 1.987-1 is amended by revising the first sentence of paragraph (b)(3)(ii)(A) to read as follows:

§ 1.987–1 Scope, definitions, and special rules.

* * * * *

(b) * * *

(3) * * *

(ii) * * *

(A) * * * Solely for purposes of section 987, an owner may elect to treat all section 987 QBUs with the same functional currency as a single section 987 QBU except to the extent provided in paragraph (b)(3)(ii)(B) of this section. * * *

* * * * *

Par. 3. Section 1.987-2 is amended by revising the second sentence of paragraph (c)(10)(xviii)(B)(2) to read as follows:

§ 1.987–2 Attribution of items to eligible QBUs; definition of a transfer and related rules.

* * * * *

(c) * * *

(10) * * *

(xviii) * * *

(B) * * *

(2) * * * Under § 1.987–5(c)(4) and § 1.987–8(e), a termination of a section 987 QBU is treated as a remittance of all the gross assets of the section 987 QBU to the owner on the date of the termination. * * *

* * * * *

§ 1.1502–13 [Amended]

Par. 4. Section 1.1502-13 is amended by redesignating the second occurrence of paragraph (j)(10)(vi) as (j)(10)(vii).

Regina L. Johnson
Federal Register Liaison
Publications and Regulations Section
Associate Chief Counsel
(Procedure and Administration)