



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 58

[TD 10037]

RIN 1545-BQ59

Excise Tax on Repurchase of Corporate Stock; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final rule; correcting amendments.

SUMMARY: This document includes corrections to final regulations (TD 10037) published in the *Federal Register* (90 FR 53144) on Monday, November 24, 2025, providing guidance regarding the application of the excise tax on repurchases of corporate stock made after December 31, 2022.

DATES: *Effective date:* These corrections are effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Applicability date: For dates of applicability, see §§ 1.1275–6(f)(12)(iii)(B), 58.4501–6, 58.4501–7(r), and 58.6011–1(d).

FOR FURTHER INFORMATION CONTACT: Concerning § 58.4501–7, Brittany N. Dobi of the Office of Associate Chief Counsel (International) at (202) 317–5469 (not a toll-free number). For all other issues, Kailee H. Hock of the Office of Associate Chief Counsel (Corporate) at (202) 317–3181 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 10037) subject to these corrections are issued under sections 1275, 4501, and 6011 of the Internal Revenue Code.

List of Subjects in 26 CFR Part 58

Excise taxes, Stocks, Reporting and recordkeeping requirements.

Correction to the Regulations

Accordingly, 26 CFR part 58 is corrected by making the following correcting amendments:

PART 58—STOCK REPURCHASE EXCISE TAX

Paragraph 1. The authority citation for part 58 continues to read in part as follows:

Authority: 26 U.S.C. 4501(f) and 7805.

Par. 2. Section 58.4501–4 is amended by revising paragraph (f)(3)(i) to read as follows:

§58.4501–4 Application of netting rule.

* * * * *

(f) * * *

(3) * * *

(i) Any stock issued by a recapitalizing corporation as part of a transaction qualifying as an E reorganization, but only to the extent such stock was issued in exchange for other stock of the recapitalizing corporation.

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Par. 3. Section 58.4501–5 is amended by revising paragraph (b)(20)(ii) to read as follows:

§58.4501–5 Examples.

* * * * *

(b) * * *

(20) * * *

(ii) *Analysis.* Corporation X reduces its gross repurchase amount by an amount equal to the sum of the fair market values of the different class of stock at the time the stock is contributed to the employer-sponsored retirement plan ($\$1,000x + \$500x = \$1,500x$).

Corporation X's stock repurchase excise tax base for its 2025 taxable year is \$0 (\$1,200x repurchase – \$1,500x exception). The \$300x excess of the contributions qualifying for the exception under §58.4501–3(d) over the gross repurchase amount (\$1,500x exception – \$1,200x gross repurchase amount) may not be carried forward or backward to preceding or succeeding taxable years of Corporation X. See §58.4501–2(c)(2)(ii).

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