

**Guidance Under Section 355(d);
Recognition of Gain on Certain
Distributions of Stock or
Securities; Corrections**

Announcement 2001-26

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Corrections to final regulations.

SUMMARY: This document contains corrections to final regulations (T.D. 8913, 2001-3, I.R.B. 300) that were published in the **Federal Register** on Wednesday, December 20, 2000 (65 F.R. 79719), providing guidance relating to section 355(d), and recognition of gain on certain distributions of stock and securities.

DATES: This correction is effective December 20, 2000.

FOR FURTHER INFORMATION CONTACT: Michael N. Kaibni (202) 622-7550 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under section 355 of the Internal Revenue Code.

Need for Correction

As published, final regulations (T.D. 8913) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (T.D. 8913), which were the subject of FR Doc. 00-32041, is corrected as follows:

1. On page 79721, column 2, in the preamble under the heading “*Transferred With Respect to an Active Trade or Business.*”, line 11 from the bottom of the paragraph, the language “§1.355-6(d)(3)(iv)(4)(E), the final” is corrected to read “§1.355-6(d)(3)(iv)(E), the final”.

2. On page 79722, column 1, in the preamble, under the heading “Options”, the second paragraph, line 5, the language “rights, and national principal contracts.” is corrected to read “rights, and notional principal contracts.”.

§1.355-6 [Corrected]

3. On page 79733, column 3, §1.355-6(e)(3)(i), line 19, the language “only to exchanges that are not treated” is corrected to read “only to exchanges that are not”.

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(Filed by the Office of the Federal Register on February 5, 2001, 8:45 a.m., and published in the issue of the Federal Register for February 6, 2001, 66 F.R. 9034)
