

Section 1374 Effective Dates; Correction

Announcement 2005–35

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document corrects temporary regulations (T.D. 9170, 2005–4 I.R.B. 363) that were published in the **Federal Register** on Wednesday, December 22, 2004 (69 FR 76612). The document contains temporary regulations providing guidance concerning the applicability of section 1374 to S corporations that acquire assets in carryover basis transactions from C corporations on or after December 27, 1994, and to certain corporations that terminate S corporation status and later elect again to become S corporations.

DATES: This document is effective on December 22, 2004.

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations (T.D. 9170) that are the subject of this correction are under section 1374 of the Internal Revenue Code.

Need for Correction

As published, the temporary regulations (T.D. 9170) contain errors that may prove to be misleading and are in need of clarification.

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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. The section heading and text of §1.1374–8T is revised to read as follows:

§1.1374–8T 1374(d)(8) transactions (temporary).

(a)(1) [Reserved]. For further guidance, see §1.1374–8(a).

(2) Section 1374(d)(8) applies to any section 1374(d)(8) transaction, as defined in paragraph (a)(1) of this section, that occurs on or after December 27, 1994, without regard to the date of the corporation's election to be an S corporation under section 1362.

(b) through (d) [Reserved]. For further guidance, see §1.1374–8(b) through (d).

Cynthia Grigsby,
Acting Chief,
Publications and Regulations Branch,
Legal Processing Division,
Associate Chief Counsel
(Procedure and Administration).

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