

Section 1374 Effective Dates; Correction

Announcement 2005-13

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), that provides 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.

FOR FURTHER INFORMATION CONTACT: Stephen R. Cleary, (202) 622-7750 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

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

Need for Correction

As published, the final and temporary regulations (T.D. 9170) contains an error 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 amendment:

PART 1 - INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:
Authority: 26 USC 7805 * * *

2. In §1.1374-8T, the section heading, and paragraphs (a)(1) and (a)(2) are 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 §1.1374(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.

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