§ 1.1286–2 Stripped inflation-indexed debt instruments.

Stripped inflation-indexed debt instruments. If a Treasury Inflation-Indexed Security is stripped under the Department of the Treasury’s Separate Trading of Registered Interest and Principal of Securities (STRIPS) program, the holders of the principal and coupon components must use the discount bond method (as described in §1.1275–7(e)) to account for the original issue discount on the components.


§ 1.1287–1 Denial of capital gains treatment for gains on registration-required obligations not in registered form.

(a) In general. Except as provided in paragraph (c) of this section, any gain on the sale or other disposition of a registration-required obligation held after December 31, 1982, that is not in registered form shall be treated as ordinary income unless the issuance of the obligation was subject to tax under section 4701. The term registration-required obligation has the meaning given to that term in section 163(f)(2), except that clause (iv) of subparagraph (A) thereof shall not apply. Therefore, although an obligation that is not in registered form is described in §1.163–5(c)(1), the holder of such an obligation shall be required to treat the gain on the sale or other disposition of such obligation as ordinary income. The term holder means the person that would be denied a loss deduction under section 165(j)(1) or denied capital gain treatment under section 1287(a).

(b) Registered form—(1) Obligations issued after September 21, 1984. With respect to any obligation originally issued after September 21, 1984, that obligation will be considered to be in registered form if it satisfied §5f.163–1 or the proposed regulations provided in §1.163–5(c) and published in the Federal Register on September 2, 1983 (48 FR 39953).

(c) Registration-required obligations not in registered form which are not subject to section 1287(c). Notwithstanding the fact that an obligation is a registration-required obligation that is not in registered form, the holder will not be subject to section 1287(a) if the holder meets the conditions of §1.165–12(c).

(d) Effective date. These regulations apply generally to obligations issued after January 20, 1987. However, a taxpayer may choose to apply the rules of §1.1287–1 with respect to an obligation issued after December 31, 1982, and on or before January 20, 1987, which obligation is held after January 20, 1987.


§ 1.1291–0 Treatment of shareholders of certain passive foreign investment companies; table of contents.

This section contains a listing of the headings for §§1.1291–1, 1.1291–9, and 1.1291–10.