

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-101258-08]

RIN 1545-BH66

Guidance Under Sections 642 and 643 (Income Ordering Rules); Hearing**AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document cancels a public hearing on proposed rulemaking providing guidance under Internal Revenue Code section 642(c) with regard to the Federal tax consequences of an ordering provision in a trust, a will, or a provision of local law that attempts to determine the tax character of the amounts paid to a charitable beneficiary of the trust or estate. The proposed regulations also make conforming amendments to the regulations under section 643(a)(5). The proposed regulations affect estates, charitable lead trusts (CLTs) and other trusts making payments or permanently setting aside amounts for a charitable purpose.

DATES: The public hearing, originally scheduled for October 8, 2008, at 10 a.m., is cancelled.

FOR FURTHER INFORMATION CONTACT: Richard A. Hurst of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration), at *Richard.A.Hurst@irs.counsel.treas.gov*.

SUPPLEMENTARY INFORMATION: A notice of public hearing that appeared in the **Federal Register** on Wednesday, June 18, 2008 (73 FR 34670), announced that a public hearing was scheduled for October 8, 2008, at 10 a.m., in the auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. The subject of the public hearing is under sections 642 and 643 of the Internal Revenue Code.

The public comment period for these regulations expired on September 16, 2008. Outlines of topics to be discussed at the hearing were due on September 18, 2008. The notice of proposed rulemaking and notice of public hearing instructed those interested in testifying at the public hearing to submit an outline of the topics to be addressed. As of Monday, September 22, 2008, no one has requested to speak. Therefore, the

public hearing scheduled for October 8, 2008, is cancelled.

LaNita Van Dyke,

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

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DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-143544-04]

RIN 1545-BD84

Regulations Enabling Elections for Certain Transactions Under Section 336(e); Correction**AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-143544-04) that was published in the **Federal Register** on Monday, August 25, 2008 (73 FR 49965) under section 336(e) of the Internal Revenue Code. The proposed regulations, when finalized, would permit taxpayers to make an election to treat certain sales, exchanges, and distributions of another corporation's stock as taxable sales of that corporation's assets. These proposed regulations will affect corporations and their shareholders.

FOR FURTHER INFORMATION CONTACT: Mark J. Weiss, (202) 622-7750 (not a toll-free number).

SUPPLEMENTARY INFORMATION:**Background**

The correction notice that is the subject of this document is under sections 336 and 338 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-143544-04) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking (REG-143544-04), which was the subject of FR Doc. E8-19603, is corrected as follows:

1. On page 49967, column 2, in the preamble, under the paragraph heading "2. Requirements for a Section 336(e)

Election", line 2 from the bottom of the column, the language "1(b)(4)(iii), 1.336-1(b)(11), and 1.338-" is corrected to read "1(b)(4)(iii) and 1.336-1(b)(11), and § 1.338-".

§ 1.336-2 [Corrected]

2. On page 49973, column 3, § 1.336-2(b)(1)(i)(B)(3) *Example 2*.(i), line 5, the language "class of Target Subsidiary common stock" is corrected to read "class of Target Subsidiary stock".

3. On page 49975, column 2, § 1.336-2(b)(2)(v), line 10, the language "unrelated person and the subsidiary's" is corrected to read "unrelated person and the new subsidiary's".

LaNita Van Dyke,

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

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DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-209006-89]

RIN 1545-AM97

Transfers by Domestic Corporations That Are Subject to Section 367(a)(5); Distributions by Domestic Corporations That Are Subject to Section 1248(f); Correction**AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-209006-89) that was published in the **Federal Register** on Wednesday, August 20, 2008 (73 FR 49278) under sections 367(a), 367(a)(5), 367(b), 1248(a), 1248(e), 1248(f), and 6038B of the Internal Revenue Code. The proposed regulations under sections 367(a)(5) and 367(b) apply when a domestic corporation transfers certain property to a foreign corporation in an exchange described in section 361(a) or (b). The proposed regulations under section 1248(e) suspend the application of section 1248(e) when capital gains are taxed at a rate equal to or greater than the rate at which ordinary income is taxed. The proposed regulations under section 1248(f) apply when a domestic corporation distributes stock of certain foreign corporations in a distribution to which section 337, 355, or 361 applies. The proposed