

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

[TD 9761]

RIN 1545-BM88

Inversions and Related Transactions; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations; correction.

SUMMARY: This document contains corrections to final and temporary regulations (TD 9761) that were published in the **Federal Register** on April 8, 2016 (81 FR 20858). The temporary regulations address transactions that are structured to avoid the purposes of sections 7874 and 367 of the Internal Revenue Code and certain post-inversion tax avoidance transactions.

DATES: This correction is effective on June 23, 2016 and applicable on April 8, 2016.

FOR FURTHER INFORMATION CONTACT: Rose E. Jenkins at (202) 317-6934 (not a toll free number).

SUPPLEMENTARY INFORMATION:**Background**

The final and temporary regulations (TD 9761) that are the subject of this correction are under sections 304, 367, 956, 7701(l), and 7874 of the Internal Revenue Code.

Need for Correction

As published, the final and temporary regulations (TD 9761) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the final and temporary regulations (TD 9761), that are the subject of FR Doc. 2016-07300, are corrected as follows:

1. On page 20858, in the preamble, the second column, the ninth line from the bottom of the column, the language “section 7874 and § 1.367(a)-3(c) and” is corrected to read “section 7874 and”.

2. On page 20860, in the preamble, the third column, under the paragraph heading “E. Section 7701”, the language “re-characterizing” and “re-characterization” is corrected to read “recharacterizing” and “recharacterization” respectively wherever it appears.

3. On page 20862, in the preamble, the third column, under the paragraph

heading “a. § 1.7874-4T, In General” the fifth and sixth lines, the language “entity acquisition described in section 7874(a)(2)(B)(i) is excluded from the” is corrected to read “entity acquisition is excluded from the”.

4. On page 20869, in the preamble, the first column, the twenty-fifth line from the bottom of the column, the language “60% or 80% on the completion date.” is corrected to read “60 or 80 on the completion date.”.

5. On page 20871, in the preamble, the second column, the third and tenth lines from the top of the first full paragraph, the language “domestic” is removed.

6. On page 20873, in the preamble, the third column, under the paragraph heading “II. Rules Addressing Certain Post-Inversions Tax Avoidance Transactions” the first line, the language “As stated in Section 1 of the 2014” is corrected to read “As stated in section 1 of the 2014”.

7. On page 20874, in the preamble, the third column, the twenty-second line from the top of the column, the language “completion date, is treated as an” is corrected to read “completion date is treated as an”.

8. On page 20877, in the preamble, the first column, under the paragraph heading “ii. Exceptions From Recharacterization” the twelfth line of the first full paragraph, the language “recognized. See Section 2.C of this Part” is corrected to read “recognized. See Section 2.c of this Part”.

9. On page 20880, in the preamble, the first column, under the paragraph heading “b. Regulations Implementing the Section 367(b) Asset Dilution Rule” the third line from the bottom of the column, the language “property to a foreign transferee” is corrected to read “property to a transferee foreign”.

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List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

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.** Section 1.304-7T is amended by revising paragraph (f) to read as follows:

§ 1.304-7T Certain acquisitions by foreign acquiring corporations (temporary).

* * * * *

(f) *Expiration date.* This section expires on or before April 4, 2019.

■ **Par. 3.** Section 1.367(a)-3T is amended by revising paragraph (k) to read as follows:

§ 1.367(a)-3T Treatment of transfers of stock or securities to foreign corporations (temporary).

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