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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9562]

RIN 1545-BH77

Conduit Financing Arrangements; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to final regulations (TD 9562) that were published in the Federal Register on Friday, December 9, 2011 (76 FR 76895) providing guidance on conduit financing arrangements. The

final regulations apply to multiple-party financing arrangements that are effected through disregarded entities, and are necessary in order to determine which of those arrangements should be recharacterized as a conduit financing arrangement.

DATES: This correction is effective on April 16, 2012 and is applicable on December 9, 2011.

FOR FURTHER INFORMATION CONTACT: Quyen P. Huynh, (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulation (TD 9562) that is the subject of this correction is under section 881 of the Internal Revenue Code.

Need for Correction

As published, TD 9562 contains errors that may prove to be misleading and is in need of clarification.

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 \* \* \*

§ 1.881-3 [Amended]

Par. 2. For each entry in the table in the "Section" column, remove the language in the "Remove" column and add in its place the language in the "Add" column as set forth below:

Table with 3 columns: Section, Remove, Add. It lists various paragraph and sentence corrections for 26 CFR 1.881-3, such as 'Last sentence of paragraph (a)(2)(i)(A)' and 'Paragraph (e), Example 21, paragraph (i)'.

Treena V. Garrett,

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

[FR Doc. 2012-8993 Filed 4-13-12; 8:45 am]
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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9583]

RIN 1545-BI92

Guidance Under Section 267(f); Deferral of Loss on Transactions Between Members of a Controlled Group

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations concerning the deferral of losses on the sale or exchange of property between members of a controlled group and provides guidance as to the time for taking into account those losses. These regulations affect corporations that are members of a controlled group.

DATES: Effective Date: These regulations are effective on April 16, 2012.

FOR FURTHER INFORMATION CONTACT: Amie Colwell Breslow (202) 622-7530 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 267(a)(1) provides that no deduction shall be allowed for any loss on the sale or exchange of property between certain related persons. Section 267(f)(2) contains an exception for a loss

on the sale or exchange of property between members of a controlled group. For this purpose, "controlled group" has the meaning given to such term in section 1563(a) except that "more than 50 percent" is substituted for "at least 80 percent" each place it appears. In the case of a sale or exchange of loss property between members of a controlled group, the loss is deferred rather than disallowed. Under section 267(f)(2)(B), the loss is deferred until the property is transferred outside of the controlled group and there would be recognition of loss under consolidated return principles or until such other time as may be prescribed in regulations.

The regulations under section 267(f) provide that the timing principles for intercompany sales or exchanges between members of a consolidated group (see generally § 1.1502-13(c)(2)) apply to sales or exchanges of property