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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9572]

RIN 1545-BK53

Dividend Equivalents from Sources within the United States; Correction

AGENCY: Internal Revenue Service (IRS).

ACTION: Temporary regulations; correcting amendment

SUMMARY: This document contains corrections to temporary regulations (TD 9572), relating to dividend equivalents from sources within the United States.

EFFECTIVE DATE: **INSERT DATE OF PUBLICATION OF THIS DOCUMENT**

IN THE FEDERAL REGISTER and is applicable January 23, 2012.

FOR FURTHER INFORMATION CONTACT: D. Peter Merkel (202) 622-3870.

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations that are the subject of these corrections are under section 1441 of the Internal Revenue Code.

Need for correction

As published, temporary regulations (TD 9572), published in the **Federal Register** on January 23, 2012 (77 FR 3108) contains errors which may prove to be misleading and are 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 USC 7805 * * *

§1.1441-4 [Amended].

Par.2. Section 1.1441-4 is amended by revising paragraphs (a)(3)(i) and (a)(3)(iii) to read as follows:

§1.1441-4 Exemptions from withholding for certain effectively connected income and other amounts.

(a) * * *

(3) * * *

(i) [Reserved]. For further guidance, see §1.1441-4T(a)(3)(i).

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(iii) [Reserved]. For further guidance, see §1.1441-4T(a)(3)(iii).

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§1.1441-4T [Amended]

Par. 3. Section 1.1441-4T is amended by revising the first sentence of paragraph (a)(3)(i) to read as follows:

§1.1441-4T Exemptions from withholding for certain effectively connected income and other amounts (temporary).

(a) * * *

* * * * *

(3) Income on notional principal contracts--(i) General rule. Except as otherwise provided in paragraph (a)(3)(iii) of this section, a withholding agent that pays amounts attributable to a notional principal contract described in §1.863-

7T(a) or §1.988-2(e) shall have no obligation to withhold on the amounts paid under the terms of the notional principal contract regardless of whether a withholding certificate is provided. * * *

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§1.1441-7 [Amended]

Par. 4. Section 1441-7 is amended by revising the introductory text of paragraph (a)(3) and Example 6 to read as follows:

§1.1441-7 General provision relating to withholding agents.

(a) * * *

(3) Examples. The following examples illustrate the rules of paragraph (a) of this section:

* * * * *

Example 6. [Reserved]. For further guidance, see §1.1441-7T(a)(3)

Example 6.

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Guy R. Traynor
Federal Register Liaison
Publication and Regulations
Legal Processing Division
Associate Chief Counsel
(Procedure and Administration)

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