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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-151416-06]

RIN 1545-BG21

Certain Distributions Treated as Sales or Exchanges; 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-151416-06) that was published in the **Federal Register** on Monday, November 3, 2014 (79 FR 65151), that prescribe how a partner should measure its interest in a partnership's unrealized receivables and inventory items, and that provide guidance regarding the tax consequences of a distribution that causes a reduction in that interest.

DATES: Written or electronic comments and request for a public hearing for the notice of proposed rulemaking at 79 FR 65151, November 3, 2014, are still being accepted and must be received by February 2, 2015.

FOR FURTHER INFORMATION CONTACT: Allison R. Carmody, at (202) 317-5279 or Frank J. Fisher, at (202) 317-6850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking published Monday, November 3, 2014 (79 FR 65151), is under section 751(b) of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-151416-06) contains errors that are misleading and are in need of clarification.

Correction to Publication

Accordingly, the notice of proposed rulemaking, FR Doc. 2014-25487, beginning on page 65151 in the issue of November 3, 2014, is corrected as follows:

1. On page 65152, in the preamble, second column, twenty –fifth line from the top of the column, the language “example, Rev. Rul. 84-102 (84-102 CB” is corrected to read “example, Rev. Rul. 84-102 (1984-2 CB”.

2. On page 65154, in the preamble, second column, sixth line from the bottom of the second full paragraph, the language “751(b) in situations in which 751(b)” is corrected to read “751(b) in situations in which section 751(b)”.

3. On page 65155, in the preamble, third column, first and second lines from the bottom of the first full paragraph, the language “must disclose its position on Form 8275, Disclosure Statement.” is corrected to read “must disclose its position on Form 8275-R, Regulation Disclosure Statement.”.

§ 1.751-1 [Corrected]

4. On page 65160, second column, sixteenth line of paragraph (b)(2)(ii), the language “takes into account any section 743 basis” is corrected to read “takes into account any section 743(b) basis”.

5. On page 65160, third column, ninth line of paragraph (b)(2)(iii)(A), the language “taking into account any section 743” is corrected to read “taking into account any section 743(b)”.

6. On page 65163, second column, the twenty –fourth through the twenty-sixth lines of paragraph (f), the language “this section consistently for all partnership sales, exchanges, and distributions, including for any” is corrected to read “this section, and proposed §1.704-1(b)(2)(iv)(f), consistently for all partnership sales, exchanges, and distributions occurring on or after November 3, 2014, including for any”.

7. On page 65165, second column, paragraph (g) Example 4. (ii)(B), the eleventh line, the language “immediately before the distribution are \$25” is corrected to read “immediately before the distribution is \$25”.

§ 1.755-1 [Corrected]

8. On page 65172, second column, paragraph (c)(2)(vi), the twentieth line, the language “and (v), would have applied if no” is corrected to read “or (v), would have applied if no”.

9. On page 65173, first column, paragraph (c)(6) Example 2. (vi)(D), the second line, the language “\$9 remaining section 743(b) adjustments is” is corrected to “\$9 remaining section 743(b) adjustment is”.

10. On page 65173, first column, paragraph (c)(6) Example 2. (vi)(D), the eighth line from the bottom of the paragraph, the language “section 743(b) adjustments is not taken into” is corrected to “section 743(b) adjustment is not taken into”.

Martin V. Franks,
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