



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-104591-18]

RIN 1545-BO67

Denial of Deduction for Certain Fines, Penalties, and Other Amounts; Information With Respect to Certain Fines, Penalties, and Other Amounts; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to a notice of proposed rulemaking.

SUMMARY: This document contains a correction to a notice of proposed rulemaking (REG-104591-18) that was published in the **Federal Register** on May 13, 2020.

The guidance on section 162(f) of the Internal Revenue Code (Code), as amended by legislation enacted in 2017, concerning the deduction of certain fines, penalties, and other amounts.

DATES: Written or electronic comments and requests for a public hearing are still being accepted and must be received by July 13, 2020.

ADDRESSES: Send submissions to Internal Revenue Service, CC:PA:LPD:PR (REG-104591-18), Room 5205, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submission of comments electronically is strongly suggested, as the ability to respond to mail may be delayed. It is recommended that comments and requests for a public hearing be submitted electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-104591-18).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Sharon Y. Horn (202) 317-4426; concerning the information reporting requirement,

Nancy L. Rose (202) 317–5147;concerning submissions of comments and requests for a public hearing, Regina L. Johnson, (202) 317-5177 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of this correction are under section 162(f) of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-104591-18) contains errors that needs to be corrected.

Correction of Publication

Accordingly, the notice of proposed rulemaking (REG-104591-18) that was the subject of FR Doc.2020-08649, published at 85 FR 28524 (May 13, 2020), is corrected to read as follows:

1. On page 28529, first column, the fourth line, the language “amounts or incurred paid” is corrected to read “amounts paid or incurred”.
2. On page 28531, second column, the sixth line from the top of the second full paragraph, the language “and by the Office” is corrected to read “and the Office”.

§ 1.162-21 [Corrected]

3. On page 28536, the third column, paragraph (f)(4), the language “A suit, agreement, or otherwise includes, but is not limited to, settlement

agreements, non-prosecution agreements, deferred prosecution agreements, judicial proceedings, administrative adjudications, decisions issued by officials, committees, commissions, boards of a government or governmental entity, and any legal actions or hearings which impose a liability on the taxpayer or pursuant to which the taxpayer assumes liability”. is corrected to read “A suit, agreement agreements; non-prosecution agreements; deferred prosecution agreements; judicial proceedings; administrative adjudications; decisions issued by officials, committees, commissions, boards of a government or governmental entity; and any legal actions or hearings which impose a liability on the taxpayer or pursuant to which the taxpayer assumes liability”.

4. On page 28537, second column, the last sentence of paragraph (g)(3)(i), the language “Corp. B presents evidence, as described in paragraph (b)(3)(ii) of this section, to substantiate that the expenses Corp. B will incur to upgrade the engines will be amounts paid to come into compliance with State X’s law”. is corrected to read “Corp. B presents invoices to substantiate that the expenses Corp. B will incur to upgrade the engines will be amounts paid to come into compliance with State X’s law.”.
5. On page 28537, second column, the first sentence of paragraph (g)(3)(ii), the language “Because the agreement describes the specific action Corp. B must take to come into compliance with State X’s law, and Corp. B presents invoices to establish that the agreement obligates it to incur costs to come into compliance with a law, paragraph (a) of this section would not preclude a deduction for the amounts Corp. B incurs to come into compliance.” is

corrected to read “Because the agreement describes the specific action Corp. B must take to come into compliance with State X’s law, and Corp. B provides evidence, as described in paragraph (b)(3)(ii) of this section to establish that the agreement obligates it to incur costs to come into compliance with a law, paragraph (a) of this section would not preclude a deduction for the amounts Corp. B incurs to come into compliance.”.

6. On page 28537, second column, the third sentence of paragraph (g)(4)(ii), the language, “Provided Corp. D establishes, under paragraph (b)(3) of this section, that the \$60,000 constitutes restitution, paragraph (a) does not apply.” is corrected to read “Provided Corp. D establishes, under paragraph (b)(3) of this section, that the \$60,000 constitutes restitution, paragraph (a) of this section does not apply.

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