

each” is corrected to read “taxable year or years of inclusion of each”.

Michael L. Slaughter,
*Acting Chief, Regulations Unit,
Assistant Chief Counsel (Corporate).*

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Treatment of Shareholders of Certain Passive Foreign Investment Companies; Correction

Announcement 97-36

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final regulations (T.D. 8701 [1997-7 I.R.B. 23]) which were published in the Federal Register on Friday, December 27, 1996 (61 FR 68149). The final regulations provide rules for making a deemed sale or deemed dividend election to purge a shareholder's holding period of stock of a PFIC of those taxable years during which the PFIC was not a QEF.

EFFECTIVE DATE: December 27, 1996.

FOR FURTHER INFORMATION CONTACT: Gayle Novig (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to this correction is under section 1291 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (T.D. 8701) contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of final and temporary regulations (T.D. 8701) which is the subject of FR Doc. 96-32246 is corrected as follows:

§ 1.1291-9 [Corrected]

On page 68152, column 3, § 1.1291-9, paragraph (d)(2)(i), line 9, the language “taxable year of inclusion of