

Income Tax; Allocation of Interest Expense Among Expenditures; Correction

Notice 97-46

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to temporary regulations (T.D. 8145), which were published in the Federal Register on Thursday, July 2, 1987 (52 F.R. 24996) relating to the allocation of interest expense among a taxpayer's expenditures.

EFFECTIVE DATE: July 2, 1987.

FOR FURTHER INFORMATION CONTACT: John Fischer, (202) 622-4950, (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations that are the subject of this correction are under section 163 of the Internal Revenue Code.

Need for Correction

As published, temporary regulations (T.D. 8145 [1987-2 C.B. 47]) contains an error which may prove to be misleading and is in need of clarification.

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Correcting Amendment to Regulations

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendment:

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 * * *

§ 1.163-8T [Corrected]

Par. 2. In § 1.163-8T, paragraph (e) immediately following *Example (2)*, in paragraph (c)(2)(iii) is redesignated as paragraph (c)(3)(i) to read as follows:

§ 1.163-8T Allocation of interest expense among expenditures (temporary).

* * * * *

(c) * * *

(3) *Allocation of debt; proceeds not*

disbursed to borrower—(i) Third-party financing. * * *

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