



**DATES:** This correction is effective October 2, 1998.

**FOR FURTHER INFORMATION CONTACT:** Anne Shelburne, (202) 874-1305 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

*Background*

The final regulations that are the subject of this correction are under section 861 of the Internal Revenue Code.

*Need for Correction*

As published, T.D. 8785 contains errors which may prove to be misleading and are in need of clarification.

*Correction of Publication*

Accordingly, the publication of the final regulations (T.D. 8785), which were the subject of F.R. Doc. 98-26475, is corrected as follows:

1. On page 52971, column 1, in the preamble under the caption heading “FOR FURTHER INFORMATION CONTACT”, line 1, the language “Anne Shelburne, (202) 622-3880 (not a)” is corrected to read “Anne Shelburne, (202) 874-1305 (not a”.

2. On page 52975, column 3, in the preamble under the paragraph heading “8. *Services and Know-How*”, second paragraph, lines 21 through 25, the language “secret protection. Know-how is considered a property interest under applicable law, and only if the know-how is specifically contracted for between the parties. These additional” is corrected to read “secret protection. These additional”.

*§1.861-18 [Corrected]*

3. On page 52982, column 1, §1.861-18(i)(4) *Example 1*, line three from the bottom of the paragraph, the language “A is not required to change from its accrual” is corrected to read “A is not required to change from its”.

4. On page 52982, column 2, §1.861-18(i)(4) *Example 2*, line five from the bottom of the paragraph, the language “A is not required to change from its accrual” is corrected to read “A is not required to change from its”.

---

## Classification of Certain Transactions Involving Computer Programs; Correction

### Announcement 98-109

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Correction to final regulations.

**SUMMARY:** This document contains a correction to Treasury Decision 8785 (1998-42 I.R.B. 5), which was published in the **Federal Register** on Friday, October 2, 1998 (63 F.R. 52971) relating to the tax treatment of certain transactions involving the transfer of computer programs.

Cynthia E. Grigsby,  
*Chief, Regulations Unit,*  
*Assistant Chief Counsel (Corporate).*

---