

Subchapter S Subsidiaries; Correction

Announcement 2000-36

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains corrections to final regulations (T.D. 8869, 2000-6 I.R.B. 498) which were published in the **Federal Register** on Tuesday, January 25, 2000 (65 FR 3843), relating to the treatment of corporate subsidiaries of S corporations and interpret the rules added to the Internal Revenue Code by section 1308 of the Small Business Job Protection Act of 1996.

DATES: This correction is effective January 25, 2000.

FOR FURTHER INFORMATION CONTACT: Jeanne M. Sullivan at (202) 622-3050 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to these corrections are under sections 1361, 1362, and 1374 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (T.D. 8869) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 8869), which were the subject of FR Doc. 00-1718, is corrected as follows:

1. On page 3845, column 1, under the caption "**Explanation of Provisions**", line 14 from the top of the column, the

language, "2 I.R.B.1, which provides that the" is corrected to read "2 I.R.B. 288, which provides that the".

2. On page 3845, column 1, the caption "b. QSUB Termination" is corrected to read "b. QSub Termination".

§1.1361-4 [Corrected]

3. On page 3852, column 2, §1.1361-4(d) *Example 3*, line 15, the language, "2000, the day after the acquisition date" is corrected to read "2002, the day after the acquisition date".

§1.1361-5 [Corrected]

4. On page 3853, column 1, §1.1361-5(b)(1)(i), line 9, the language, "corporation. he tax treatment of this" is corrected to read "corporation. The tax treatment of this".

§1.1362-8 [Corrected]

5. On page 3855, column 3, §1.1362-8(d) *Example 2(ii)*, line 1, the language, "(ii) Four-fifths (\$12,000/15,000) of the" is corrected to read "(ii) Four-fifths (\$12,000/\$15,000) of the".

6. On page 3855, column 3, §1.1362-8(d) *Example 2(ii)*, line 13, the language, "Under these facts, \$41 (\$920/1,900 of" is corrected to read "Under these facts, \$41 (\$920/\$1,900 of".

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(Filed by the Office of the Federal Register on March 27, 2000, 8:45 a.m., and published in the issue of the Federal Register for March 28, 2000, 65 F.R. 16317)