

Subchapter S Subsidiaries; Correction

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Announcement 2002-106

AGENCY: Internal Revenue Service
(IRS), Treasury.

ACTION: Correcting Amendment

SUMMARY: This document contains corrections to final regulations (T.D. 8869, 2000-1 C.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.

EFFECTIVE DATE: January 25, 2000.

FOR FURTHER INFORMATION
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SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of this correction are under section 1361 of the Internal Revenue Code.

Need for Correction

As published, final regulations (T.D. 8869) contains an error which may prove to be misleading and is in need of clarification.

Correction of Publication

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 * * *

§ 1.1361-5 [Corrected]

Par. 2. In § 1.1361-5, paragraph (c)(1), the first sentence is amended by removing the language “paragraph (b) of this section)” and adding the language “§ 1.1362-5(b))” in its place.

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(Filed by the Office of the Federal Register on October 23, 2002, 8:45 a.m., and published in the issue of the Federal Register for October 24, 2002, 67 F.R. 65312)