

Credit for Increasing Research Activities; Correction

Announcement 2002-38

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-112991-01, 2002-4 I.R.B. 404) and notice of public hearing relating to the computation of the research credit.

This document was published in the **Federal Register** on December 26, 2001 (66 FR 66362).

FOR FURTHER INFORMATION

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SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of these corrections are under sections 41(c) and 41(d) of the Internal Revenue Code.

Need for Correction

As published, the proposed regulations REG-112991-01, contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the proposed regulations REG-112991-01, which is the subject of FR. Doc. 01-31007, is corrected as follows:

§ 1.41-3 [Corrected]

1. On page 66368, column 1, § 1.41-3, paragraph (e), line 3, the language “ending on or after the date December 21” is corrected to read “ending on or after December 26”.

§ 1.41-4 [Corrected]

2. On page 66369, column 1, § 1.41-4, paragraph (a)(8), paragraph (i) of *Example 2.*, line 3 from the bottom of paragraph, the language “tests the nozzles to ensure that to ensure that” is corrected to read “tests the nozzles to ensure that”.

3. On page 66369, column 1, § 1.41-4, paragraph (a)(8), paragraph (ii) of *Example 2.*, line 2 the language “painting process is a separate business” is corrected to read “painting process relate to a separate business”.

4. On page 66369, column 3, § 1.41-4, paragraph (a)(8), paragraph (i) of *Example 6.*, lines 5 through 8 from the bottom of the paragraph, the language “X conducts extensive and complex scientific or laboratory testing to determine if the current model vehicle meets X’s requirements.” is removed.

5. On page 66370, column 3, § 1.41-4, paragraph (c)(6), line 2 of the paragraph heading, the language “years beginning on or after the” is corrected to read “years beginning on or after”.

6. On page 66371, column 2, § 1.41-4, paragraph (c)(6)(iv)(C), line 1 of the column, the language “leased, licensed or otherwise marketed” is corrected to read “leased, licensed, or otherwise marketed”.

7. On page 66371, column 2, § 1.41-4, paragraph (c)(6)(vi)(C), line 2 from the bottom of the paragraph, the language “paragraphs (c)(6)(v)(A) and (B) of this” is corrected to read “paragraphs (c)(6)(vi)(A) and (B) of this”.

8. On page 66371, column 3, § 1.41-4, paragraph (c)(6)(viii), paragraph (i) of *Example 2.*, line 3, the language “order to create an improved reserve valuation” is corrected to read “order to create the improved reserve valuation”.

9. On page 66372, column 3, § 1.41-4, paragraph (c)(6), paragraph (ii) of *Example 7.*, line 1, the language “(ii) *Conclusion.* X’s software is software” is corrected to read “(ii) *Conclusion.* X’s software is”.

10. On page 66375, column 1, § 1.41-4, paragraph (c)(10), paragraph (i) of *Example 6.*, line 1, the language “*Example 6. (i) Facts.* X manufacturer and” is corrected to read “*Example 6. (i) Facts.* X manufacturers and”.

11. On page 66375, column 2, § 1.41-4, paragraph (c)(10), paragraph (1) of *Example 7.* is correctly designated § 1.41-4, paragraph (c)(10), paragraph (i) of *Example 7.*

12. On page 66375, column 2, § 1.41-4, paragraph (c)(10), paragraph (i) of *Example 7.*, line 9, the language “purchases the existing robotic equipment for” is corrected to read “purchases existing robotic equipment for”.

13. On page 66375, column 3, § 1.41-4, paragraph (e), line 4, the language “December 26, 2002.” is corrected to read “December 26, 2001.”.

§ 1.41-8 [Corrected]

14. On page 66375, column 3, § 1.41-8, paragraph (b)(4), line 4, the language “December 26, 2002.” is corrected to read “December 26, 2001.”.

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