

Application of Section 904 to Income Subject to Separate Limitations; Correction

Announcement 2004-86

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations that were published in the **Federal Register** on July 20, 2004 (T.D. 9141, 2004-35 I.R.B. 359 [69 FR 43304]). This regulation relates to the section 904(d) foreign tax credit limitation and to the exclusion of certain export financing interest from foreign personal holding company income.

DATES: These corrections are effective July 20, 2004.

FOR FURTHER INFORMATION CONTACT: Bethany A. Ingwolson at (202) 622-3850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under section 904(d) of the Internal Revenue Code.

Need for Correction

As published, T.D. 9141 contains errors that may prove to be misleading and are in need of clarification.

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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 USC 7805 * * *

§ 1.904(b)-1 [Corrected]

Par. 2. Section 1.904(b)-1(g) *Example 3* (v), the introductory text is amended by removing the language “\$424.87/\$2571.42, computed as follows:” and adding the language “\$412/\$2571.42, computed as follows:” in its place.

Par. 3. Section 1.904(b)-1(g) *Example 4* (iii), the second sentence is amended by removing the language “paragraph (c)(1) of this section. Under Step 1, the U.S. long-term capital loss adjustment amount is \$50 (\$80-\$30). Under Step 2, the” and adding the language “paragraph (c)(1) of this section. Under *Step 1*, the U.S. long-term capital loss adjustment amount is \$50 (\$80-\$30). Under *Step 2*, the” in its place.

Par. 4. Section 1.904(b)-1(g) *Example 5* (iii), the second sentence is amended by removing the language “Under Step 1, the U.S. long-term capital loss adjustment amount is \$50 (\$150-\$100).” and adding the language “Under *Step 1*, the U.S. long-term capital loss adjustment amount is \$50 (\$150-\$100).” in its place.

§ 1.904(b)-2 [Corrected]

Par. 5. Section 1.904(b)-2, paragraph (c), the second sentence is amended by removing the language “apply § 1.904(b)-1(i) and this” and adding the language “apply § 1.904(b)-1 and this” in its place.

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