

Loss Limitation Rules; Correction

Announcement 2005-25

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document corrects final regulations (T.D. 9187, 2005–13 I.R.B. 778) that were published in the **Federal Register** on Thursday, March 3, 2005 (70 FR 10319), that disallows certain losses recognized on sales of subsidiary stock by members of a consolidated group.

DATES: This correction is effective on April 4, 2005.

FOR FURTHER INFORMATION CONTACT: Theresa Abell, (202) 622–7700 or Martin Huck, (202) 622–7750 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (T.D. 9187) that is the subject of this correction is under sections 337(d) and 1502 of the Internal Revenue Code.

Need for Correction

As published, T.D. 9187 contains an error that may prove to be misleading and is 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 * * *

§1.1502–20 [Corrected]

Section 1.1502–20(i)(3)(viii), second sentence, the language “Any reapportionment of a section 382 limitation made pursuant to the previous sentence shall have the effects described in paragraphs (i)(3)(iii)(D)(ii) and (iii) of this section.” is removed and the language “Any reapportionment of a section 382 limitation made pursuant to the previous sentence shall have the effects described in paragraph (i)(3)(iii)(D)(2) and (3) of this section.” is added in its place.

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