

Economic Performance Requirement; Correction

Announcement 2005–28

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to T.D. 8408, 1992–1 C.B. 155, which was published in the **Federal Register** on Friday, April 10, 1992 (57 FR 12411) relating to the requirement that economic performance occur in order for an amount to be incurred with respect to any item of a taxpayer using an accrual method of accounting.

DATES: This correction is effective April 10, 1992.

FOR FURTHER INFORMATION CONTACT: Robert M. Casey, (202) 622–4950 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulation (T.D. 8408) that is the subject of this correction is under section 461 of the Internal Revenue Code.

Need for Correction

As published, T.D. 8408, 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 * * *

§1.461–4 [Corrected]

Par. 2. Section 1.461–4(d)(4)(i) is amended by revising the first sentence to read as follows:

§1.461–4 *Economic performance.*

* * * * *

(d) * * *

(4) * * *(i) *In general.* Except as otherwise provided in paragraph (d)(5) of this section, if the liability of a taxpayer requires the taxpayer to provide services or property to another person, economic performance occurs as the taxpayer incurs costs (within the meaning of §1.446–1(c)(1)(ii)) in connection with the satisfaction of the liability. * * *

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Cynthia Grigsby,
*Acting Chief, Publications
and Regulations Branch,
Legal Processing Division,
Associate Chief Counsel
(Procedure and Administration).*

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