

Transactions Involving the Transfer of No Net Value; Correction

Announcement 2005-32

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-163314-03, 2005-14 I.R.B. 835) that was published in the **Federal Register** on Thursday, March 10, 2005 (70 FR 11903). The proposed regulation provides guidance regarding corporate formations, reorganizations, and liquidations of insolvent corporations.

FOR FURTHER INFORMATION CONTACT: Jean Brenner, (202) 622-7790 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-163314-03) that is the subject of these corrections are under sections 332, 351 and 368 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-163314-03) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the notice of proposed rulemaking (REG-163314-03), that was the subject of FR Doc. 04-4384, is corrected as follows:

1. On page 11904, column 1, in the preamble under the paragraph heading “*Explanation of Provisions*”, the undesignated paragraph heading, “*Exchange*

of Net Value Requirement” is correctly designated as “1. *Exchange of Net Value Requirement*”.

2. On page 11904, column 1, in the preamble under the newly designated paragraph heading “1. *Exchange of Net Value Requirement*”, the undesignated paragraph heading, “*Background*” is correctly designated as “A. *Background*”.

3. On page 11904, column 3, in the preamble under the newly designated paragraph heading “1. *Exchange of Net Value Requirement*”, the undesignated paragraph, “*Explanation of rules*” is revised and correctly designated as “B. *Explanation of Rules*”.

4. On page 11904, column 3, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Net Value Requirement*” is correctly designated as “(i) *Net Value Requirement*”.

5. On page 11905, column 2, in the preamble under the newly designated paragraph heading, “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Scope of Net Value Requirement*” is correctly designated as “(ii) *Scope of Net Value Requirement*”.

6. On page 11905, column 3, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Definition of Liabilities*” is correctly designated as “(iii) *Definition of Liabilities*”.

7. On page 11905, column 3, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Amount of Liabilities*” is correctly designated as “(iv) *Amount of Liabilities*”.

8. On page 11906, column 1, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Assumption of Liabilities*” is correctly designated as “(v) *Assumption of Liabilities*”.

9. On page 11906, column 1, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*In Connection With*” is correctly designated as “(vi) *In Connection With*”.

10. On page 11906, column 2, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”,

the undesignated paragraph heading, “*Section 368(a)(1)(C)*” is correctly designated as “(vii) *Section 368(a)(1)(C)*”.

11. On page 11906, column 2, in the preamble under the newly designated paragraph heading “B. *Explanation of Rules*”, the undesignated paragraph heading, “*Section 721*” is correctly designated as “(viii) *Section 721*”.

12. On page 11906, column 3, in the preamble under the paragraph heading “*Explanation of Provisions*”, the undesignated paragraph heading, “*Continuity of Interest*” is correctly designated as “2. *Continuity of Interest*”.

13. On page 11906, column 3, in the preamble under the newly designated paragraph heading “2. *Continuity of Interest*”, the undesignated paragraph heading, “*Background*” is correctly designated as “A. *Background*”.

14. On page 11907, column 1, in the preamble under the newly designated paragraph heading “2. *Continuity of Interest*”, the undesignated paragraph heading, “*Explanation of Provisions*” is correctly designated as “B. *Explanation of Provisions*”.

15. On page 11907, column 3, in the preamble under the newly designated paragraph heading, “*Explanations of Provisions*” the undesignated paragraph heading, “*Section 332*” is correctly designated as “3. *Section 332*”.

16. On page 11907, column 3, in the preamble under the newly designated paragraph heading, “3. *Section 332*” the undesignated paragraph heading, “*Background*” is correctly designated as “A. *Background*”.

17. On page 11907, column 3, in the preamble under the newly designated paragraph heading, “3. *Section 332*” the undesignated paragraph heading, “*Explanation of Provisions*” is correctly designated as “B. *Explanation of Provisions*”.

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