property held by a controlled foreign corporation in connection with certain transactions involving partnerships.

DATES: This correction is effective on October 29, 2015 and applicable beginning September 2, 2015.

FOR FURTHER INFORMATION CONTACT: Rose E. Jenkins at (202) 317–6934 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (TD 9733) that are subject of this correction are under sections 954 and 956 of the Internal Revenue Code.

Need for Correction

As published, the final and temporary regulations (TD 9733) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

§ 1.954–3T Foreign personal holding company income (temporary).

(a)(1) through (c)(1) introductory text [Reserved]. For further guidance, see § 1.954–2(a)(1) through (c)(1) introductory text.

(c)(2)(iii) introductory text through (d)(2)(iii)(D) [Reserved]. For further guidance, see § 1.954–2(c)(2)(iii) introductory text through (d)(2)(iii)(D).

(c)(3) and (d)(1) introductory text [Reserved]. For further guidance, see § 1.954–2(c)(3) and (d)(1) introductory text.

(d)(2)(iii) introductory text through (d)(2)(iii)(D) [Reserved]. For further guidance, see § 1.954–2(d)(2)(iii) introductory text through (d)(2)(iii)(D).

(i) * * * * * See § 1.954–2(c)(1)(i), (c)(1)(iv), (c)(2)(ii), (c)(2)(iii), (d)(1)(i), (d)(1)(ii), (d)(2)(ii), and (d)(2)(iii), as contained in 26 CFR part 1 revised as of April 1, 2015, for rules applicable to rents or royalties, as applicable, received or accrued before September 1, 2015.

(ii) Control. For purposes of paragraphs (b)(4)(ii)(B) and (C) of this section, a controlled foreign corporation controls a foreign corporation or partnership if the controlled foreign corporation and the other foreign corporation or partnership are related within the meaning of section 267(b) or section 707(b). For this purpose, in determining whether two corporations are members of the same controlled group under section 267(b)(3), a person is considered to own stock owned directly by such person, stock owned for the purposes of section 1563(e)(1), and stock owned with the application of section 267(c).

(iv) * * * * * Example 1. (i) * * * * FS2 has no earnings and profits, and FS1 has substantial accumulated earnings and profits. * * * * * Example 3. (i) * * * FS1 has $100x of post-1986 undisturbed earnings and profits and $100x post-1986 foreign income taxes, but does not have any cash. * * * * *
Background
The final and temporary regulations (TD 9733) that are the subject of this correction are under sections 954 and 956 of the Internal Revenue Code.

Need for Correction
As published, the final and temporary regulations (TD 9733) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication
Accordingly, the final and temporary regulations (TD 9733) are corrected as follows:

1. On page 52977, in the preamble, the first column, under the paragraph heading “Background”, the second line of the paragraph, the language “to 26 CFR part 1 under of the Internal” is corrected to read “to 26 CFR part 1 under section 956 of the Internal”.

2. On page 52979, in the preamble, the second column, the first line of the column, the language “the active development test in § 1.954—” is corrected to read “the active development test in § 1.954—”.

3. On page 52979, in the preamble, the second column, the twentieth line of the column, the language “§§ 1.954–2T(c)(2)(iii)(E), (c)(2)(viii),” is corrected to read “§ 1.954–2T(c)(2)(iii)(E), (c)(2)(viii),”.

4. On page 52979, in the preamble, the second column, the thirteenth line of the column, the language “that such rents or royalties are” is corrected to read that such rents or royalties are”.

Martin V. Franks,
Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

DEPARTMENT OF THE INTERIOR
Office of Natural Resources Revenue
30 CFR Parts 1206 and 1210
[FR Doc. 2015–27604 Filed 10–28–15; 16:45 am]
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National Park Service
36 CFR Part 13
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