Correction of Publication

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

PART 1—INCOME TAXES

■ Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ Par. 2. Section 1.7874–4 is amended by revising paragraphs (i)(2)(iii)(A), (i)(2)(iii)(C) introductory text, and (i)(2)(iii)(C)(2) to read as follows:

§ 1.7874–4 Disregard of certain stock related to the domestic entity acquisition.

* * * * *

(i) * * *

(ii) * * *

(iii) * * *

(A) A member of the expanded affiliated group, unless the holder of the obligation immediately before the domestic entity acquisition and any related transaction (or its successor) is a member of the expanded affiliated group after the domestic entity acquisition and all related transactions. See Example 6 of paragraph (j) of this section for an illustration of this paragraph (i)(2)(iii)(A).

* * * * *

(C) A person, other than a member of the expanded affiliated group, that, before or after the domestic entity acquisition, either owns (applying the attribution rules of section 318(a) with the modifications described in section 304(c)(3)(B)) at least five percent (by vote or value) of the stock of (or partnership interests in) or is related (within the meaning of section 267 or 707(b)) to—

* * * * *

(2) A person described in paragraph (i)(2)(iii)(B) of this section.

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