

# Adjustments Following Sales of Partnership Interests; Correction

## Announcement 2000-13

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Correction to final regulations.

**SUMMARY:** This document contains corrections to T.D. 8847 (1999-52 I.R.B. 701), which was published in the **Federal Register** on Wednesday, December 15, 1999 (64 F.R. 69903), relating to adjustments following the sale of partnership interests.

**DATES:** These corrections are effective December 15, 1999.

**FOR FURTHER INFORMATION CONTACT:** Matthew Lay, (202) 622-3050 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

### **Background**

The final regulations that are the subject of these corrections are under sections 743, 754, and 755 of the Internal Revenue Code.

### **Need for Correction**

As published, T.D. 8847 contains errors which may prove to be misleading and are in need of clarification.

### **Correction of Publication**

Accordingly, the publication of the final regulations (T.D. 8847), which were the subject of FR Doc. 99-32400, is corrected as follows:

1. On page 69904, column 1, in the preamble under the paragraph heading "Explanation of Revisions and Summary

of Contents”, paragraph 1.(c), the last line, the language “after December 15, 1999.” is corrected to read “on or after December 15, 1999.”.

2. On page 69905, column 2, in the preamble under the paragraph heading “4. Elections Under Section 754”, lines 9 and 10, the language “previously were made, the IRS and Treasury believe that it is appropriate to” is corrected to read “previously were made, the IRS and the Treasury Department believe that it is appropriate to”.

3. On page 69906, column 2, in the preamble under the paragraph heading “Special Analyses”, the paragraph is corrected to read as follows:

“It has been determined that these final regulations are not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has been determined that a final regulatory flexibility analysis is required for the collection of information in this Treasury decision under 5 U.S.C. 604. This analysis is set forth below under the heading “Final Regulatory Flexibility Act Analysis.” Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business. No comments were received regarding the impact of the regulations on small business.”

4. On page 69906, column 2, in the preamble, the paragraph heading “Summary of Final Regulatory Flexibility Act Analysis” is corrected to read “Final Regulatory Flexibility Act Analysis.”

**§1.743–1 [Corrected]**

5. On page 69912, column 1, §1.743–1(h)(2)(iv), line 3 of the introductory text, the language “paragraph (h):” is corrected to read “paragraph (h)(2):”.

6. On page 69912, column 1, §1.743–1(h)(2)(iv), the last sentence of paragraph (ii) in the *Example* is corrected to read as follows:

*§1.743–1 Optional adjustment to basis of partnership property.*

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(h) \*\*\*

(2) \*\*\*

(iv) \*\*\*

*Example.* \*\*\*

(ii) \*\*\* Under paragraph (h)(2)(i) of this section, X’s basis in Asset 1 equals \$90 (PRS’s common basis in the asset, \$60, plus the gain recognized by PRS under section 351(b)(1), \$15, plus A’s basis adjustment under section 743(b), \$20, less the portion of the adjustment which reduced A’s gain, \$5).

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**§1.754–1 [Corrected]**

7. On page 69916, column 2, §1.754–1(c)(2), the paragraph heading “*Revocations made for first taxable year ending after December 15, 1999.*” is corrected to read “*Revocations effective on December 15, 1999.*”.

8. On page 69916, column 2, §1.754–1(c)(2), line 7, the language “15, 1999, may revoke such election by” is corrected to read “15, 1999, may revoke such election effective for transfers or distributions occurring on or after December 15, 1999, by”.

**§1.755–1 [Corrected]**

9. On page 69917, column 2, §1.755–1(b)(2)(ii) *Example 2.* (iii), the third line from the bottom of the column, the language “743(b), less (\$125), amount of the basis” is corrected to read “743(b), less (\$125), the amount of the basis”.

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(Filed by the Office of the Federal Register on February 23, 2000, 8:45 a.m., and published in the issue of the Federal Register for February 24, 2000, 65 F.R. 9220)