
Passthrough of Items of an S Corporation to its Shareholders; Correction

Announcement 2000-18

AGENCY:Internal Revenue Service (IRS), Treasury.

ACTION:Correction to final regulations.

SUMMARY:This document contains corrections to T.D. 8852 (2000-2 I.R.B. 253) which were published in the **Federal Register** on Wednesday, December 22, 1999 (64 FR 71641), relating to the passthrough of items of an S corporation to its share-

holders, the adjustments to the basis of stock of the shareholders, and the treatment of distributions by an S corporation.

DATES:This correction is effective December 22, 1999.

FOR FURTHER INFORMATION CONTACT:Martin Schaffer, Deane Burke, or David Shulman at (202) 622-3070, or Brenda Stewart at (202) 622-3120 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to these corrections are under sections 1366, 1367, and 1368 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 8852) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 8852), which were the subject of FR Doc. 99-32697, is corrected as follows:

§1.1366-4 [Corrected]

1. On page 71648, column 3, §1.1366-4(c), third line from the bottom of the paragraph, the language, “the amount of the tax as the amount of” is corrected to read “the amount of the tax as the net amount of”.

§1.1367-1 [Corrected]

2. On page 71649, column 2, §1.1367-1(h) *Example 5.* (i), lines 7 through 11, the language, “section 1377(a)(2)(B) and §1.1377-1(b)(2), B and C are affected shareholders because B has transferred shares to Corporation S. Pursuant to section 1377(a)(2)(A) and §1.1377-1(b)(1), B and C, the affected” is corrected to read “section 1377(a)(2)(B) and §1.1377-1(b)(2), B, C, and D are affected shareholders because B has transferred shares to Corporations S and D. Pursuant to section 1377(a)(2)(A) and §1.1377-1(b)(1), B, C, and D, the affected”.

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