



4 of 6 DOCUMENTS

Announcement 97-36

Announcement 97-36; 1997 IRB LEXIS 120; 1997-15 I.R.B. 10

April 14, 1997

[*1]

SUBJECT MATTER: Treatment of Shareholders of Certain Passive Foreign Investment Companies; Correction

TEXT:

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final regulations (*T.D. 8701 [1997-7 I.R.B. 23]*) which were published in the Federal Register on Friday, December 27, 1996 (*61 FR 68149*). The final regulations provide rules for making a deemed sale or deemed dividend election to purge a shareholder's holding period of stock of a PFIC of those taxable years during which the PFIC was not a QEF.

EFFECTIVE DATE: December 27, 1996.

FOR FURTHER INFORMATION CONTACT: Gayle Novig (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to this correction is under *section 1291 of the Internal Revenue Code*.

Need for Correction

As published, the final regulations (*T.D. 8701*) contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of final and temporary regulations (*T.D. 8701*) which is the subject of FR Doc. 96-32246 is corrected as follows:

§ 1.1291-9 [Corrected]

On page 68152, column [*2] 3, § 1.1291-9, paragraph (d)(2)(i), line 9, the language "taxable year of inclusion of each" is corrected to read "taxable year or years of inclusion of each".

Michael L. Slaughter, *Acting Chief, Regulations Unit, Assistant Chief Counsel (Corporate)*.

(Filed by the Office of the Federal Register on February 14, 1997, 8:45 a.m., and published in the issue of the Federal Register for February 18, 1997, *62 F.R. 7155*)