

Computation of Combined Taxable Income Under the Profit Split Method When the Possession Product Is a Component Product or an End-Product Form for Purposes of the Possessions Credit Under Section 936; Correction

Announcement 96-83

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains corrections to final regulations (T.D. 8669 [1996-23 I.R.B. 6]) which were published in the Federal Register on Friday, May 10, 1996 (61 FR 21366). The final regulations relate to the computation of combined taxable income under the profit split method.

EFFECTIVE DATE: May 10, 1996

FOR FURTHER INFORMATION CONTACT: Jacob Feldman (202) 622-3870 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to these corrections are under section 936 of the Internal Revenue Code.

Need for Correction

As published, the final regulations [T.D. 8669] contain errors which may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 8669) which is the subject of FR Doc. 96-11639, is corrected as follows:

1. On page 21366, column 3, in the preamble, following the paragraph heading “**Discussion**”, the first full paragraph in the column, line 4, the language “forms under the profit-split method” is corrected to read “forms under the profit split method”.

2. On page 21367, column 1, in the preamble, following the paragraph heading “**Discussion**”, the second full paragraph in the column, lines 12 and 13, the language “regulation is effective for taxable years ending 30 days after May

10, 1996. If” is corrected to read “regulations apply to taxable years ending after June 9, 1996. If”.

§ 1.936-6 [Corrected]

3. On page 21368, § 1.936-6, in paragraph (b)(1), in A. 12 (iv) in the table, under the heading “Production costs (excluding costs of materials):”, item 3, the language “3. P’s costs for the CPU’s (the possession product)” is corrected to read “3. P’s costs for the CPUs (the possession product)”.

4. On page 21369, column 3, § 1.936-6, paragraph (b)(1), under A. 12 (vii), line 3, the language “ending 30 days after May 10, 1996. If” is corrected to read “ending after June 9, 1996. If”.

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