

Announcement 99-113

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of proposed

regulations.

SUMMARY: This document partially withdraws certain proposed regulations relating to special basis adjustments under section 743. The withdrawal is in response to the publication of subsequent proposed regulations (REG-209682-94) addressing the same subject matter.

FOR FURTHER INFORMATION CONTACT: Daniel Carmody at (202) 622-3080 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On October 28, 1997, the IRS published in the Federal Register (62 FR 55768) proposed regulations under section 743 of the Internal Revenue Code (the proposed regulations). Section 1.743-2 of the proposed regulations addresses the effect of the special basis adjustment under section 743 for partnerships that participate in section 351

exchanges. This issue is addressed in the proposed regulations published in the Federal Register on January 29, 1998 (63 FR 4408), which contain general guidance on basis adjustments under section 743. Therefore, this document withdraws §1.743-2 of the proposed regulations published in the Federal Register on October 28, 1997 (62 FR 55768).

Withdrawal of Proposed Amendments to the Regulations

Accordingly, under the authority of 26 U.S.C. 7805, proposed amendments to 26 CFR part 1 relating to §1.743-2 are withdrawn.

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Robert E. Wenzel,
*Deputy Commissioner of
Internal Revenue.*

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