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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9882]

RIN 1545-BP19; 1545-BK55; 1545-AC09

Foreign Tax Credit Guidance Related to the Tax Cuts and Jobs Act, Overall Foreign Loss Recapture, and Foreign Tax Redeterminations; Correcting Amendment

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to Treasury Decision 9882, which was published in the **Federal Register** on Tuesday, December 17, 2019. Treasury Decision 9882 contained final and temporary regulations that provide guidance relating to the determination of the foreign tax credit under the Internal Revenue Code.

DATES: These corrections are effective on May 15, 2020 and applicable December 17, 2019.

FOR FURTHER INFORMATION CONTACT: Jeffrey P. Cowan, (202) 317-4924 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9882) that are the subject of this correction are under sections 861 and 904 of the Internal Revenue Code.

Need for Correction

As published December 17, 2019 (84 FR 69022), the final and temporary regulations (TD 9882; FR Doc. 2019-24848) contained errors that need to be corrected.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 2.** Section 1.861-8 is amended by revising the second and third sentence in paragraph (c)(4) and revising the first sentence in paragraph (e)(6)(i) to read as follows:

§ 1.861-8 Computation of taxable income from sources within the United States and from other sources and activities

* * * * *

(c) * * *

(4) * * * In determining whether two or more corporations are members of the same controlled group under section 267(b)(3), a person is considered to own stock owned directly by such person, stock owned by application of section 1563(e)(1), and stock owned by application of section 267(c). In determining whether a corporation is related to a partnership under section 267(b)(10), a person is considered to own the partnership interest owned directly by such person and the partnership interest owned by application of section 267(e)(3).

* * * * *

(e) * * *

(6) * * *

(i) * * * The deduction for foreign income, war profits and excess profits taxes allowed by section 164 (including with respect to a controlled foreign corporation) is allocated and apportioned among the applicable statutory and residual groupings under the principles of § 1.904-6(a)(1)(i), (ii), and (iv). * * *

* * * * *

■ **Par. 3.** Section 1.861-17 is amended by revising the first sentence in paragraph (e)(3) to read as follows:

§ 1.861-17 Allocation and apportionment of research and experimental expenditures.

* * * * *

(e) * * *

(3) * * * A taxpayer otherwise subject to the binding election described in paragraph (e)(1) of this section may change its method (on an original or an

amended return) either for all taxable years beginning after December 31, 2017, and before January 1, 2020, or for its last taxable year beginning before January 1, 2020, without the prior consent of the Commissioner. * * *

* * * * *

§ 1.904-4 [Amended]

■ **Par. 4.** Section 1.904-4(c)(6)(iii) is amended by removing the language “deemed paid or accrued” and adding the language “deemed paid” in its place.

§ 1.904-5 [Amended]

■ **Par. 5.** Section 1.904-5 is amended by removing paragraph (c)(1)(ii).

§ 1.904(g)-0 [Amended]

■ **Par. 6.** Section 1.904(g)-0 is amended by adding “the” in the heading for § 1.904(g)-3 before the word “recapture”.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2020-08995 Filed 5-14-20; 8:45 am]

BILLING CODE 4830-01-P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4022

Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans to prescribe certain interest assumptions under the regulation for plans with valuation dates in June 2020. These interest assumptions are used for paying certain benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC.

DATES: Effective June 1, 2020.

FOR FURTHER INFORMATION CONTACT: Gregory Katz (katz.gregory@pbgc.gov), Attorney, Regulatory Affairs Division, Pension Benefit Guaranty Corporation,

1200 K Street NW, Washington, DC 20005, 202-326-4400 ext. 3829. (TTY users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4400, ext. 3829.)

SUPPLEMENTARY INFORMATION: PBGC's regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribes actuarial assumptions—including interest assumptions—for paying plan benefits under terminated single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974 (ERISA). The interest assumptions in the regulation are also published on PBGC's website (<https://www.pbgc.gov>).

PBGC uses the interest assumptions in appendix B to part 4022 ("Lump Sum Interest Rates for PBGC Payments") to determine whether a benefit is payable as a lump sum and to determine the amount to pay. Because some private-sector pension plans use these interest rates to determine lump sum amounts payable to plan participants (if the resulting lump sum is larger than the amount required under section 417(e)(3) of the Internal Revenue Code and section 205(g)(3) of ERISA), these rates are also provided in appendix C to part 4022 ("Lump Sum Interest Rates for Private-Sector Payments").

This final rule updates appendices B and C of the benefit payments regulation to provide the rates for June 2020 measurement dates.

The June 2020 lump sum interest assumptions will be 0.00 percent for the period during which a benefit is (or is assumed to be) in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. In comparison with the interest assumptions in effect for May 2020, these assumptions represent a decrease of 0.50 percent in the immediate rate and are otherwise unchanged.

PBGC updates appendices B and C each month. PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to issue new interest assumptions promptly so that they are available for plans that rely on our publication of them each month to calculate lump sum benefit amounts.

Because of the need to provide immediate guidance for the payment of benefits under plans with valuation dates during June 2020, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

In consideration of the foregoing, 29 CFR part 4022 is amended as follows:

PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

Authority: 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, rate set 320 is added at the end of the table to read as follows:

Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
* 320	* 6-1-20	* 7-1-20	* 0.00	* 4.00	* 4.00	* 4.00	* 7	* 8

■ 3. In appendix C to part 4022, rate set 320 is added at the end of the table to read as follows:

Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
* 320	* 6-1-20	* 7-1-20	* 0.00	* 4.00	* 4.00	* 4.00	* 7	* 8

Issued in Washington, DC.

Hilary Duke,

Assistant General Counsel for Regulatory Affairs, Pension Benefit Guaranty Corporation.

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POSTAL REGULATORY COMMISSION

39 CFR Part 3045

[Docket No. RM2019-13; Order No. 5407]

Reorganization of Postal Regulatory Commission Rules; Correction

AGENCY: Postal Regulatory Commission.

ACTION: Correcting amendment.

SUMMARY: On April 20, 2020, the Postal Regulatory Commission revised Commission rules. That document incorrectly listed a cross-reference. This document corrects the final regulations by removing the incorrect cross-reference.