

Part IV. Items of General Interest

Anti-Avoidance and Anti-Loss Reimportation Rules Applicable Following a Loss on Disposition of Stock of Consolidated Subsidiaries; Correction

Announcement 2007-50

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final and temporary regulations.

SUMMARY: This document contains corrections to final and temporary regulations (T.D. 9322, 2007-18 I.R.B. 1100) that were published in the Federal Register on Tuesday, April 10, 2007 (71 FR 17804) providing guidance to corporations filing consolidated returns and apply an anti-avoidance rule and revising an anti-loss reimportation rule that applies following a disposition of stock of a subsidiary at a loss.

FOR FURTHER INFORMATION CONTACT: Theresa Abell, (202) 622-7700 or Phoebe Bennett, (202) 622-7770 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (T.D. 9322) that is the subject of these corrections are under section 1502 of the Internal Revenue Code.

Need for Correction

As published, these final and temporary regulations (T.D. 9322) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, these final and temporary regulations (T.D. 9322) that were the subject of FR Doc. E7-6541, are corrected as follows:

1. On page 17805, column 1, in the preamble, under the paragraph heading

“*Background and Explanation of Provisions*” paragraph 2, line 6 from the bottom of the column, the language “the loss reimportation rule is also” is corrected to read “the anti-loss reimportation rule is also”.

2. On page 17805, column 2, in the preamble, under the paragraph heading “*Special Analyses*”, line 5 from the top of the column, the language “U.S.C. 553(b)(B) that prior notice and” is corrected to read “U.S.C. 553(b)(3)(B) that prior notice and”.

3. On page 17805, column 2, in the preamble, under the paragraph heading “*Special Analyses*”, line 16 from the top of the column, the language “reference notice of the proposed” is corrected to read “reference notice of proposed”.

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(Filed by the Office of the Federal Register on April 30, 2007, 8:45 a.m., and published in the issue of the Federal Register for May 1, 2007, 72 F.R. 23771)

Deletions From Cumulative List of Organizations Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2007-51

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had

knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on May 29, 2007, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Security Warranty, Inc.
San Antonio, TX
Franklin Foundation, Inc.
Gaithersburg, MD
Howard Family Foundation
Chicago, IL
Center for Electronic Art
Woodacre, CA
Richard & Jane Pater
Charitable Foundation
Salt Lake City, UT

Foundations Status of Certain Organizations

Announcement 2007-52

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in