

a substantial number of small entities. This certification is based on the fact that these regulations will primarily affect affiliated groups of corporations that have elected to file consolidated returns, which tend to be larger businesses. The regulations also govern certain transactions between members of controlled groups of corporations, but generally produce the same results for such transactions as current law. The regulations do not significantly alter the reporting or recordkeeping duties of small entities. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 602 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by revising the entries for §§ 1.1502-13, 1.1502-33, and 1.1502-80, as set forth below; by removing the entries for sections “1.469-1”, “1.469-1T”, “1.1502-13T”, “1.1502-14”, and “1.1502-14T”; and adding the remaining entries in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * *
 Section 1.108-3 also issued under 26 U.S.C. 108, 267, and 1502. * * *
 Section 1.267(f)-1 also issued under 26 U.S.C. 267 and 1502. * * *
 Section 1.460-4 also issued under 26 U.S.C. 460 and 1502. * * *
 Section 1.469-1 also issued under 26 U.S.C. 469. * * *

Section 1.469-1T also issued under 26 U.S.C. 469. * * *

Section 1.1502-13 also issued under 26 U.S.C. 108, 337, 446, 1275, 1502 and 1503. * * *

Section 1.1502-17 also issued under 26 U.S.C. 446 and 1502.

Section 1.1502-18 also issued under 26 U.S.C. 1502. * * *

Section 1.1502-26 also issued under 26 U.S.C. 1502. * * *

Section 1.1502-33 also issued under 26 U.S.C. 1502. * * *

Section 1.1502-79 also issued under 26 U.S.C. 1502. * * *

Section 1.1502-80 also issued under 26 U.S.C. 1502. * * *

Par. 2. In the list below, for each location indicated in the left column, remove the language in the middle column from that section, and add the language in the right column.

Affected section	Remove	Add
1.167(a)-(11)(d)(3)(v)(b), 1st sentence	which results in “deferred gain or loss” within the meaning of paragraph (c) of 1.1502-13.	
1.167(c)-1(a)(5)	, 1.1502-13, and 1.1502-14	and 1.1502-13
1.263A-1T(b)(2)(vi)(B), 2nd sentence	a deferred intercompany transaction	an intercompany transaction
1.263A-1T(e)(1)(ii), 1st sentence	a deferred intercompany transaction	an intercompany transaction
1.263A-1T(e)(1)(ii), 4th sentence	1.1502-13(c)(2)	1.1502-13
1.263A-1T(e)(1)(ii), 4th sentence	deferred.	
1.263A-1T(e)(1)(ii), 7th sentence	“deferred intercompany transaction”	“intercompany transaction”
1.263A-1T(e)(1)(ii), 7th sentence	defined	as used
1.263A-1T(e)(1)(iii)(A) Example, 2nd sentence	1.1502-13(c)	1.1502-13
1.263A-1T(e)(1)(iii)(A) Example, 4th sentence	1.1502-13(c)	1.1502-13
1.279-6(b)(4)	, § 1.1502-13T, § 1.1502-14, or § 1.1502-14T.	
1.337(d)-1(a)(5) Example 8(i), 5th sentence	1.1502-13(c)	1.1502-13
1.337(d)-1(a)(5) Example 8(ii), 1st sentence	1.1502-13(c)	1.1502-13
1.337(d)-1(a)(5) Example 8(ii), 2nd sentence ..	1.1502-13(f)(1)(i), 1.267(f)-2T(e)(1)	1.1502-13, 1.267(f)-1
1.337(d)-2(g)(1), 2nd sentence	1.1502-13T, 1.1502-14, and 1.1502-14T	and 1.1502-14 (as contained in the 26 CFR part 1 edition revised as of April 1, 1995)
1.338-4(f)(4) Example (2)(a)	1.1502-13(f)	1.1502-13
1.341-7(e)(10)	paragraph (c)(1) of § 1.1502-14 for the deferral.	§ 1.1502-13 for the treatment
1.861-8T(d)(2)(i), concluding text	1.1502-13(c)(2)	1.1502-13
1.861-8T(d)(2)(i), concluding text	deferred.	
1.861-8T(d)(2)(i), concluding text	1.1502-13(a)(2)	1.1502-13
1.861-9T(g)(2)(iv), paragraph heading	deferred.	
1.861-9T(g)(2)(iv), 1st sentence	deferred intercompany transactions	intercompany transactions
1.1502-3(a)(2)	1.1502-13(a)(1)	1.1502-13(b)
1.1502-4(j) Example (1), 8th sentence	Under § 1.1502-13	Under § 1.1502-13 (as contained in the 26 CFR part 1 edition revised as of April 1, 1995)
1.1502-9(f) Example (6)	a restoration event under section 1.1502-13(f) occurs.	the intercompany gain is taken into account under § 1.1502-13
1.1502-12(a)	§§ 1.1502-13 and 1.1502-14	§ 1.1502-13
1.1502-12(g)(2)	a deferred intercompany transaction as defined in § 1.1502-13(a)(2).	an intercompany transaction as defined in § 1.1502-13
1.1502-22(a)(3)	1.1502-14,	
1.1502-22(a)(5) Example (i)	paragraph (d), (e), or (f) of § 1.1502-13	§ 1.1502-13
1.1502-26(b), second sentence	paragraph (a)(1) of § 1.1502-14	§ 1.1502-13
1.1502-47(e)(4)(iii), first sentence	§§ 1.1502-13(f), 1.1502-14,	§§ 1.1502-13,
1.1502-47(e)(4)(iv) Example 4, third sentence ..	deferred intercompany transactions (see § 1.1502-13(a)(2)).	intercompany transactions (see § 1.1502-13)
1.1502-47(e)(4)(iv) Example 4, fourth sentence ..	1.1502-13(f)(1)(iv)	1.1502-13
1.1502-47(e)(4)(iv) Example 4, chart header	Deferred intercompany transactions between ..	Intercompany transactions between