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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-107592-00]

RIN 1545-BA11

Consolidated Returns; Intercompany Obligations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws a portion of a notice of proposed rulemaking (REG-107592-00) published in the **Federal Register** on September 28, 2007 (72 FR 55139). The withdrawn portion relates to the treatment of transactions involving the provision of insurance between members of a consolidated group.

FOR FURTHER INFORMATION CONTACT: Frances L. Kelly, (202) 622-7770 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On September 28, 2007, the IRS and the Treasury Department published a notice of proposed rulemaking (REG-107592-00) in the **Federal Register** (72 FR 55139) which proposed to amend §1.1502-13(g) (regarding the treatment of transactions involving obligations between members of a consolidated group) and to add §1.1502-13(e)(2)(ii)(C) (regarding the treatment of certain

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transactions involving the provision of insurance between members of a consolidated group).

Under proposed §1.1502-13(e)(2)(ii)(C), certain intercompany insurance transactions would be taken into account on a single entity basis. Written comments were received with respect to proposed §1.1502-13(e)(2)(ii)(C). After consideration of these comments, the IRS and the Treasury Department have decided to withdraw proposed §1.1502-13(e)(2)(ii)(C). However, the IRS and the Treasury Department continue to study whether revisions to the rules for intercompany transactions are necessary to clearly reflect the taxable income of consolidated groups.

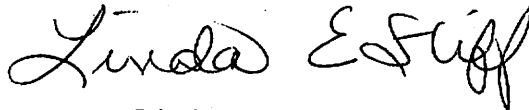
List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Partial Withdrawal of a Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805 and 26 U.S.C. 1502,

§1.1502-13(e)(2)(ii)(C) of the notice of proposed rulemaking (REG-107592-00) that was published in the **Federal Register** on September 28, 2007 (72 FR 55139) is withdrawn.



Linda E. Stiff
Deputy Commissioner for Services and Enforcement.



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