

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-112261-24]

RIN 1545-BR32

#### Guidance Regarding Certain Matters Relating to Nonrecognition of Gain or Loss in Corporate Separations, Incorporations, and Reorganizations; Technical Correction

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking; technical correction.

**SUMMARY:** This document contains technical corrections to a notice of proposed rulemaking (REG-112261-24) that was published in the **Federal Register** on Thursday, January 16, 2025. REG-112261-24 contains proposed regulations regarding certain matters relating to corporate separations, incorporations, and reorganizations qualifying, in whole or in part, for nonrecognition of gain or loss.

**DATES:** March 24, 2025.

**FOR FURTHER INFORMATION CONTACT:** Justin R. Du Mouchel at (202) 317-6975 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The notice of proposed rulemaking (REG-112261-24) that was published in the **Federal Register** on Thursday, January 16, 2025 (90 FR 5220) that is the subject of these corrections is under sections 355, 357, 361, and 368 of the Internal Revenue Code (Code).

##### Correction of Publication

Accordingly, FR Document 2025-00321 (REG-112261-24), appearing on page 5220 in the **Federal Register** on Thursday, January 16, 2025, is corrected as follows:

1. On page 5235, in the first column, in the first full paragraph, in the twelfth line from the top of the paragraph, the

language “two taxable years” is corrected to read “two consecutive taxable years”.

2. On page 5235, in the first column, in the second full paragraph, in the fifteenth and sixteenth lines from the top of the paragraph, the language “two taxable years” is corrected to read “two consecutive taxable years”.

3. On page 5246, in the first column, in the first full paragraph, in the seventh and eighth lines from the top of the paragraph, the language “proposed proposed § 1.361-5(c)(3)(iii)” is corrected to read “proposed § 1.361-5(c)(3)(iii)”.

4. On page 5246, in the first column, in the first full paragraph, in the twenty-fifth line from the top of the paragraph, the language “corporatiron” is corrected to read “corporation”.

5. On page 5247, in the second column, in the first full paragraph, the fifth line from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

6. On page 5248, in the first column, in the first full paragraph, in the fifth and sixth lines from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

7. On page 5248, in the first column, in the first full paragraph, in the tenth line from the top of the paragraph, the language “ending on control distribution” is corrected to read “before its satisfaction with section 361 consideration”.

8. On page 5248, in the first column, in the fourth full paragraph, in the sixteenth and seventeenth lines from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

9. On page 5254, in the second column, in the first full paragraph, in the seventh line from the top of the paragraph, the language “hade” is corrected to read “had”.

10. On page 5255, in the first column, in the fourth line from the bottom of the page, the language “tothe” is corrected to read “to the”.

11. On page 5256, in the second column, in the first full paragraph, in the fifth line from the top of the

paragraph, following the words “**Federal Register**”, the language “and to which such regulations are applicable” is added.

#### § 1.355-2 [Corrected]

■ 12. On page 5259, in the first column, in paragraph (e)(2)(ii), in the fourth line from the top of the paragraph, the language “two taxable years” is corrected to read “two consecutive taxable years”.

#### § 1.355-4 [Corrected]

■ 13. On page 5259, in the third column, in paragraph (c), in the eighth and ninth lines from the top of the paragraph, the language “paragraph (c) and paragraph (d) of this” is removed.

■ 14. On page 5261, in the third column, in paragraph (f)(2)(ii), in the first line, the language “original plan of reorganization” is corrected to read “original plan of distribution”.

#### § 1.361-1 [Corrected]

■ 15. On page 5273, in the first column, in paragraph (b)(17)(iii), in the third and fourth lines from the top of the paragraph, the language “controlled corporation stock or securities” is corrected to read “section 361 consideration”.

#### § 1.361-5 [Corrected]

16. On page 5281, in the third column, in paragraph (e)(3)(vi), in the fourth and fifth lines from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

17. On page 5282, in the second column, in paragraph (e)(4)(ii)(B)(3)(i), in the fifth and sixth lines from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

18. On page 5282, in the second column, in paragraph (e)(4)(ii)(B)(3)(ii), in the fourth and fifth lines from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

19. On page 5282, in the third column, in paragraph (e)(4)(iii)(B), the fourth line from the top of the paragraph, the language “ending on the control distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

20. On page 5283, in the second column, in paragraph (g)(1)(i), in the seventeenth line from the bottom of the paragraph, the language “Subsidiary” is corrected to read “Subsidiary”.

21. On page 5285, in the first column, in paragraph (g)(6)(ii), in the eleventh line from the bottom of the paragraph, the language “creditor exchange” is corrected to read “creditor exchange”.

22. On page 5285, in the second column, in paragraph (g)(7)(ii), in the eleventh line from the bottom of the paragraph, the language “creditor exchange” is corrected to read “creditor exchange”.

23. On page 5285, in the third column, in paragraph (g)(8)(i)(B), in the fourth line from the bottom of the paragraph, the language “ending on the distribution date” is corrected to read “before its satisfaction with section 361 consideration”.

#### § 1.368–4 [Corrected]

■ 24. On page 5289, in the first column, in paragraph (d), in the seventh and eighth lines from the top of the paragraph, the language “paragraph (d) and paragraph (e) of this” is removed.

■ 25. On page 5292, in the second column, in paragraph (g)(7)(ii)(B), in the fifth line from the bottom of the page, the language “assumption is” is corrected to read “assumption is”.

■ 26. On page 5293, in the third column, in paragraph (g)(13)(i), in the seventh line from the bottom of the page, the language “will transfer” is corrected to read “will commit to attempting to transfer”.

■ 27. On page 5294, in the first column, in paragraph (g)(13)(i):

■ i. In the fourth line from the top of the page, the language “Distributing will distribute” is corrected to read “Distributing then will commit to attempting to distribute”.

■ ii. The twelfth and thirteenth lines from the top of the page are corrected to read “or follow-on spin-off, Distributing then will commit to selling the retained stock on the open”.

■ 28. On page 5294, in the third column, in paragraph (g)(14)(i):

■ i. The second and third sentences are corrected to read “With regard to the retained stock, the separation and distribution agreement and other official records of Distributing provide that Distributing might either transfer the retained stock to a creditor of Distributing in a stock-for-debt exchange that satisfies the requirements set forth in §§ 1.361–5(a) and 1.368–3(a)(5) (stock-for-debt exchange), or distribute that retained stock to Distributing’s shareholders (follow-on spin-off).”.

■ ii. The fifth and fourth lines from the bottom of the page are corrected to read “or follow-on spin-off, Distributing then will commit to selling the retained stock on the open”.

■ iii. In the line at the bottom of the page, the language “these” is corrected to read “the”.

■ 29. On page 5295, in the first column, in paragraph (g)(14)(i), the second and third lines from the top of the page are corrected to read “out the stock-for-debt exchange or follow-on spin-off, without committing to either, as well as its written”.

Aron L. Cosby,

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## DEPARTMENT OF DEFENSE

### Department of the Army, Corps of Engineers

#### 33 CFR Part 328

### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 120

[EPA–HQ–OW–2025–0093; FRL–12683–01–OW]

### WOTUS Notice: The Final Response to SCOTUS; Establishment of a Public Docket; Request for Recommendations

**AGENCY:** Department of the Army, Corps of Engineers, Department of Defense; and Environmental Protection Agency (EPA).

**ACTION:** Notice; announcement of listening sessions and solicitation of stakeholder feedback.

**SUMMARY:** The U.S. Environmental Protection Agency (EPA) and the Department of the Army intend to engage with State and Tribal co-regulators; industry and agricultural stakeholders; environmental and conservation stakeholders; and the public on certain key topics related to the implementation of the definition of “waters of the United States” in light of the Supreme Court’s 2023 decision in *Sackett v. Environmental Protection Agency*. The agencies are committed to learning from the past regulatory approaches—the pre-2015 regulations and guidance, the 2015 Clean Water Rule, the 2020 Navigable Waters Protection Rule, the 2023 Rule, and the

Amended 2023 Rule—while engaging with stakeholders before taking further administrative action to provide any additional clarification to agency staff, co-regulators, and the public on specific aspects of the definition of “waters of the United States.”

This notice includes an announcement of forthcoming listening sessions on specific key topic areas to hear interested stakeholders’ perspectives on defining “waters of the United States” consistent with the Supreme Court’s interpretation of the scope of Clean Water Act jurisdiction and how to implement that interpretation as the agencies consider next steps. The agencies are also accepting written recommendations from members of the public via a recommendations docket. These opportunities are intended to provide for broad, transparent engagement with a full spectrum of stakeholders.

**DATES:** Written recommendations must be received on or before April 23, 2025. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the forthcoming listening sessions.

**ADDRESSES:** You may send written feedback, identified by Docket ID No. EPA–HQ–OW–2025–0093, by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov/> (our preferred method). Follow the online instructions for submitting written feedback.
- *Email:* [OW-Docket@epa.gov](mailto:OW-Docket@epa.gov). Include Docket ID No. EPA–HQ–OW–2025–0093 in the subject line of the message.
- *Mail:* U.S. Environmental Protection Agency, EPA Docket Center, Water Docket, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.
- *Hand Delivery or Courier:* EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center’s hours of operations are 8:30 a.m.–4:30 p.m., Monday–Friday (except Federal Holidays).

**Instructions:** All submissions received must include Docket ID No. EPA–HQ–OW–2025–0093. Written feedback received may be posted without change to <https://www.regulations.gov/>, including any personal information provided. For detailed instructions on sending written recommendations and additional information on the forthcoming listening sessions, see the **SUPPLEMENTARY INFORMATION** section of this document.