

for 2012 is the lesser of: \$23.25 (\$31 of OID that accrues on the new debt instrument in 2012 less \$7.75 of this OID that is allowed as a deduction to A in 2012) or \$9.75 (the excess of \$75 (ABC partnership's deferred COD income of \$150 less A's share of ABC partnership's deferred COD income that is included in A's income for 2012 of \$75) over \$65.25 (the aggregate amount of OID that accrued in previous taxable years of \$87 less the aggregate amount of such OID that has been allowed as a deduction by A in 2012 of \$21.75)). Thus, of the \$31 of OID that accrues in 2012, \$9.75 is deferred under section 108(i).

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9623]

RIN 1545-BI99

**Application of Section 108(i) to
Partnerships and S Corporations;
Correction**

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations; correction.

SUMMARY: This document contains corrections to final regulations and removal of temporary regulations (TD 9623) that were published in the **Federal Register** on Wednesday, July 3, 2013 (78 FR 39973). The final regulations are relating to the application of section 108(i) of the Internal Revenue Code to partnerships and S corporations and provides rules regarding the deferral of discharge of indebtedness income and original issue discount deductions by a partnership or an S corporation with respect to reacquisitions of applicable debt instruments after December 31, 2008, and before January 1, 2011.

DATES: This correction is effective on August 14, 2013 and applicable on or after July 2, 2013.

FOR FURTHER INFORMATION CONTACT: Joseph R. Worst, at (202) 622-3070 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations and removal of temporary regulations (TD 9623) that are

the subject of this correction is under section 108(i) of the Internal Revenue Code.

Need for Correction

As published, the final regulations and removal of temporary regulations (TD 9623) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the final regulations and removal of temporary regulations (TD 9623), that are the subject of FR Doc. 2013-15585, are corrected as follows:

On page 39974, column 3, in the preamble, under the paragraph heading "1. Bankruptcy Issues", in the first full paragraph, the language "Title 11" is corrected to read "title 11" wherever it appears.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9628]

RIN 1545-BK87

**Regulations Pertaining to the
Disclosure of Return Information To
Carry Out Eligibility Requirements for
Health Insurance Affordability
Programs**

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the disclosure of return information under section 6103(l)(21) of the Internal Revenue Code, as enacted by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. The regulations define certain terms and prescribe certain items of return information in addition to those items prescribed by statute that will be disclosed, upon written request, under section 6103(l)(21).

DATES: *Effective date:* These regulations are effective on August 14, 2013.

Applicability date: For date of applicability, see § 301.6103(l)(21)-1(d).

FOR FURTHER INFORMATION CONTACT: Steven Karon, (202) 622-4570; (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 6103(l)(21) of the Internal Revenue Code (the Code) permits the disclosure of return information to assist Exchanges in performing certain functions set forth in the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)) (the Affordable Care Act) for which income verification is required (including determinations of eligibility for the insurance affordability programs described in the Affordable Care Act), as well as to assist State agencies administering a State Medicaid program under title XIX of the Social Security Act, a State's children's health insurance program under title XXI of the Social Security Act (CHIP), or a basic health program (BHP) under section 1331 of the Affordable Care Act (if applicable). Section 6103(l)(21) identifies specific items of return information that will be disclosed. For taxpayers whose income is relevant in determining eligibility for an insurance affordability program, Medicaid, CHIP, or BHP, section 6103(l)(21) explicitly authorizes the disclosure of the following items of return information: Taxpayer identity information, filing status, the number of individuals for whom a deduction is allowed under section 151 of the Code, the taxpayer's modified adjusted gross income as defined under section 36B of the Code (MAGI), and the taxable year to which any such information relates or, alternatively, that such information is not available. Section 6103(l)(21) also authorizes the disclosure of such other information prescribed by regulation that might indicate whether an individual is eligible for the premium tax credit under section 36B of the Code, or cost-sharing reductions under section 1402 of the Affordable Care Act, and the amount thereof.

The Treasury Department and the IRS published a notice of proposed rulemaking (REG-119632-11) in the **Federal Register**, 77 FR 25378, on April 30, 2012, proposing additional items to be disclosed pursuant to section 6103(l)(21). A public hearing was scheduled for August 31, 2012. The IRS did not receive any requests to testify at the public hearing, and the public hearing was cancelled. Five written comments responding to the proposed regulations were received. All comments were considered and are available for public inspection at