

regulations.

SUMMARY: This document partially withdraws certain proposed regulations relating to special basis adjustments under section 743. The withdrawal is in response to the publication of subsequent proposed regulations (REG-209682-94) addressing the same subject matter.

FOR FURTHER INFORMATION CONTACT: Daniel Carmody at (202) 622-3080 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On October 28, 1997, the IRS published in the Federal Register (62 FR 55768) proposed regulations under section 743 of the Internal Revenue Code (the proposed regulations). Section 1.743-2 of the proposed regulations addresses the effect of the special basis adjustment under section 743 for partnerships that participate in section 351

exchanges. This issue is addressed in the proposed regulations published in the Federal Register on January 29, 1998 (63 FR 4408), which contain general guidance on basis adjustments under section 743. Therefore, this document withdraws §1.743-2 of the proposed regulations published in the Federal Register on October 28, 1997 (62 FR 55768).

Withdrawal of Proposed Amendments to the Regulations

Accordingly, under the authority of 26 U.S.C. 7805, proposed amendments to 26 CFR part 1 relating to §1.743-2 are withdrawn.

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*Deputy Commissioner of
Internal Revenue.*

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Announcement 99-114

Publication 3386, relating to veterans' organizations that are recognized as tax exempt under section 501(c) of the Internal Revenue Code or that are considering applying for recognition of tax exemption, is now available.

Publication 3386, Tax Guide for Veterans' Organizations, provides general information regarding tax exemption under section 501(a) of the Code for unrelated business income, contributions to veterans' organizations, recordkeeping, filing requirements, and group rulings.

You may obtain Publication 3386 by calling the IRS at 1-800-829-3676 or through the Internet at www/irs/gov/bus-info/eo.