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Final regulations on “carried interest” provision under section 1061 (text of regulations)

The IRS today posted to its website a version of the final regulations (T.D. 9945) under section 1061—that is, the “carried interest” provision added to the Code by the 2017 U.S. tax law (Pub. L. No. 115-97) or the law often referred to as the “Tax Cuts and Jobs Act” (TCJA).

Read the [final regulations](#) [PDF 585 KB] (168 pages)

The version of the final regulations released today by the IRS includes the following statement:

This document has been submitted to the Office of the Federal Register (OFR) for publication and will be pending placement on public display at the OFR and publication in the Federal Register. The version of the final rule released today may vary slightly from the published document if minor editorial changes are made during the OFR review process. The document published in the Federal Register will be the official document.

These regulations finalize regulations that were proposed during the summer 2020. Read an [KPMG report \(August 2020\)](#) [PDF 383 KB] that discusses the proposed regulations under the carried interest provision. According to the preamble to the final regulations, the final regulations retain the structure of the proposed regulations, but “include multiple substantive changes compared to the proposed regulations.”

The purpose of this report is to provide text of the final regulations as released by the IRS.

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