

(i) Each member of the electing entity; or

(ii) Any officer, manager, or member of the electing entity who is authorized to make the election and who represents to having such authorization under penalties of perjury.

(3) *Further notification of elections.* An eligible entity required to file a federal tax return for the taxable year for which an election is made under paragraph (c)(1)(i) of this section shall attach a copy of the form filed in accordance with paragraph (c)(1)(i) of this section to its federal tax return for that year. If the entity is not required to file a return for that year, the Commissioner will require that a copy of such form be attached to the federal income tax return of any direct or indirect owner of the entity for the taxable year of the owner that includes the date on which the election was effective.

(d) *Special rule for certain partnership terminations.* When a partnership terminates by operation of section 708(b)(1)(B) (on the sale or exchange of fifty percent or more of the total interests in partnership capital or profits within a twelve month period), the resulting entity created by such termination is a partnership.

(e) *Effective date—(1) In general.* The rules of this section apply to periods beginning on or after the date that final regulations are published in the Federal Register.

(2) *Prior treatment of existing entities.* In the case of a business entity that is not described in § 301.7701-2(b) (1), (3), (4), (5), (6), or (7), and that is in existence prior to the effective date of this section, the entity's claimed classification will be respected for all periods prior to the effective date of this section if—

(i) The entity had a reasonable basis (within the meaning of section 6662) for its claimed classification;

(ii) The entity claimed that same classification for all prior periods; and

(iii) Neither the entity nor any member has been notified in writing on or before May 8, 1996 that the classification of the entity is under examination (in which case the entity's classification will be determined in the examination).

Par. 8. Section 301.7701-4 is amended as follows:

1. The last sentence of paragraphs (b), (c)(1), (c)(2) *Example 1*, and (c)(2) *Example 3* are revised.

2. Paragraph (f) is added.

The revisions and additions read as follows:

§ 301.7701-4 Trusts.

* * * * *

(b) *Business trusts.* * * * The fact that any organization is technically cast in the trust form, by conveying title to property to trustees for the benefit of persons designated as beneficiaries, will not change the real character of the organization if the organization is more properly classified as a business entity under § 301.7701-2.

(c) * * * (1) * * * An investment trust with multiple classes of ownership interests ordinarily will be classified as a business entity under § 301.7701-2; however, an investment trust with multiple classes of ownership interests, in which there is no power under the trust agreement to vary the investment of the certificate holders, will be classified as a trust if the trust is formed to facilitate direct investment in the assets of the trust and the existence of multiple classes of ownership interests is incidental to that purpose.

(2) * * *

Example 1. * * * As a consequence, the existence of multiple classes of trust ownership is not incidental to any purpose of the trust to facilitate direct investment, and, accordingly, the trust is classified as a business entity under § 301.7701-2.

* * * * *

Example 3. * * * Accordingly, the trust is classified as a business entity under § 301.7701-2.

* * * * *

(f) *Effective date.* The rules of this section generally apply to taxable years beginning after December 31, 1960. Paragraph (e)(5) of this section contains rules of applicability for paragraph (e) of this section. In addition, the last sentences of paragraphs (b), (c)(1), and (c)(2) *Example 1* and *Example 3* of this section apply to taxable years beginning on or after the date that final regulations are published in the Federal Register.

Par. 9. Section 301.7701-6 is revised to read as follows:

§ 301.7701-6 Definitions; person, fiduciary.

(a) *Person.* The term *person* includes an individual, a corporation, a partnership, a trust or estate, a joint-stock company, an association, or a syndicate, group, pool, joint venture, or other unincorporated organization or group. The term also includes a guardian, committee, trustee, executor, administrator, trustee in bankruptcy, receiver, assignee for the benefit of creditors, conservator, or any person acting in a fiduciary capacity.

(b) *Fiduciary—(1) In general.* Fiduciary is a term that applies to persons who occupy positions of peculiar confidence toward others, such

as trustees, executors, and administrators. A fiduciary is a person who holds in trust an estate to which another has a beneficial interest, or receives and controls income of another, as in the case of receivers. A committee or guardian of the property of an incompetent person is a fiduciary.

(2) *Fiduciary distinguished from agent.* There may be a fiduciary relationship between an agent and a principal, but the word agent does not denote a fiduciary. An agent having entire charge of property, with authority to effect and execute leases with tenants entirely on his own responsibility and without consulting his principal, merely turning over the net profits from the property periodically to his principal by virtue of authority conferred upon him by a power of attorney, is not a fiduciary within the meaning of the Internal Revenue Code. In cases when no legal trust has been created in the estate controlled by the agent and attorney, the liability to make a return rests with the principal.

(c) *Effective date.* The rules of this section are effective on the date that final regulations are published in the Federal Register.

§ 301.7701-7 [Removed]

Par. 10. Section 301.7701-7 is removed.

Margaret Milner Richardson,
Commissioner of Internal Revenue.

[FR Doc. 96-11780 Filed 5-9-96; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Chapter II

Meeting of the Federal Gas Valuation Negotiated Rulemaking Committee

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of meeting.

SUMMARY: The Secretary of the Department of the Interior (Department) established a Federal Gas Valuation Negotiated Rulemaking Committee (Committee) to develop specific recommendations with respect to Federal gas valuation under its responsibilities imposed by the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA). The Department has determined that the establishment of this Committee is in the public interest and will assist the agency in performing its duties under FOGRMA.

MMS published a proposed rule on November 6, 1995, in the Federal

Register (60 FR 56007) advancing the consensus decisions of the Committee regarding the valuation of gas produced from Federal leases. On December 13, 1995, in the Federal Register (60 FR 64000), MMS extended the period for receiving comments on the proposed rule through February 5, 1996. MMS is holding a meeting of the Committee to discuss how to proceed with further rulemaking in light of the comments received on the proposed rule.

DATES: The Committee will meet on: Wednesday, June 12, 1996, 10:00 a.m. to 5:00 p.m.; Thursday, June 13, 1996, 8:00 a.m. to 5:00 p.m.; Friday, June 14, 1996, 8:00 a.m. to 2:00 p.m.

ADDRESSES: The meetings will be held at the Denver Federal Center, building 85, West 6th Avenue and Kipling Street, Lakewood, Colorado, 80225.

Written statements may be submitted to Ms. Deborah Gibbs Tschudy, Chief, Valuation and Standards Division, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3150, Denver, Colorado 80225-0165, courier delivery to Building 85, Denver Federal Center, Denver, CO 80225.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Gibbs Tschudy, Chief, Valuation and Standards Division, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3150, Denver, Colorado, 80225-0165, telephone number (303) 275-7200, fax number (303) 275-7227.

SUPPLEMENTARY INFORMATION: The meetings will be open to the public without advanced registration. Public attendance may be limited to the space available. Members of the public may make statements during the meeting, to the extent time permits, and file written statements with the Committee for its consideration.

Written statements should be submitted to the address listed above. Minutes of Committee meetings will be available for public inspection and copying 10 days following each meeting at the same address. In addition, the materials received to date during the input sessions are available for inspection and copying at the same address.

Dated: May 7, 1996.

Robert E. Brown,

Associate Director for Royalty Management.
[FR Doc. 96-11853 Filed 5-10-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD01-95-058]

RIN 2115-AE 46

Special Local Regulation: Connecticut River Raft Race, Middletown, CT

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to amend the regulations governing the Connecticut River Raft Race. The event name would change to the "Great Connecticut River Raft Race" due to a change in sponsor. The regulated area would move upriver to coincide with a change in the race course. The effective period would also change to July 27, 1996, and each year thereafter on a date and times specified in a Federal Register document. This regulation is necessary to control vessel traffic within the regulated area due to the confined nature of the waterway and anticipated congestion at the time of the event, thus providing for the safety of life and property on the affected navigable waterway.

DATES: Comments must be received on or before June 27, 1996.

ADDRESSES: Comments should be mailed to Commander (b), First Coast Guard District, Captain John Foster Williams Federal Building, 408 Atlantic Ave., Boston, Massachusetts 02110-3350. Comments also may be hand-delivered to room 428 at the same address between 8 a.m. and 4 p.m., Monday through Friday, except federal holidays.

FOR FURTHER INFORMATION CONTACT: Lieutenant (Junior Grade) Benjamin M. Algeo, Chief, Boating Affairs Branch, First Coast Guard District, (617) 223-8311.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Each person submitting comments should include their name and address, identify this notice (CGD01-95-058), the specific section of the proposal to which each comment applies, and give the reason for each comment. Comments and attachments should be submitted on 8½" x 11" unbound paper in a format suitable for copying and electronic filing. If that is not practical, a second copy of any bound material is requested.

Persons requesting acknowledgement of receipt of comments should enclose a stamped, self-addressed postcard or envelope.

All comments received during the comment period will be considered by the Coast Guard and may change this proposal. The Coast Guard has no plans to hold a public hearing. Persons may request a public hearing by writing to Commander (b), First Coast Guard District at the address under **ADDRESSES**. The request should include reasons why a hearing would be beneficial. If the Coast Guard determines that oral presentations will aid this rulemaking, it will hold a public hearing at a time and place announced by a later notice in the Federal Register.

Discussion of Proposed Amendments

The Connecticut River Raft Race is in its twenty-second year, and is a popular local event. A permanent special local regulation, 33 CFR Part 100.102, governs the running of the event. Due to a change in sponsor, the name of the event will change to the "Great Connecticut River Raft Race" and the location of the race will be moved a short distance upriver. The event will continue to be annually recurring, therefore, the Coast Guard proposes to permanently amend the special local regulation found in 33 CFR Part 100.102. The race course and regulated area will change to consist of that portion of the Connecticut River between Marker nos. 92 and 73, Middletown, CT. The event date will also change from the first Saturday in August to the last Saturday in July or first Saturday in August.

This event will include up to 60 homemade rafts and is expected to draw up to 100 spectator craft. The Coast Guard, Connecticut Department of Environmental Protection, and local fire and police departments will each assign a patrol to the event. However, due to the restricted maneuverability of the participating rafts, it is necessary to establish a special local regulation to control spectator and commercial vessel movement within this confined area. Spectator craft are authorized to watch the race from any area as long as they remain outside the designated regulated area.

The proposed section will be effective annually on the last Saturday in July or first Saturday in August, between 10 a.m. and 2 p.m., or as published in a Coast Guard Notice to Mariners. A rain date may be established and announced in a Coast Guard Notice to Mariners. In emergency situations, the Coast Guard patrol commander may establish escort