

**§ 303.2 Definitions and forms.**

(a) \* \* \*

(13) *Creditable wages* means all wages, up to an amount equal to 65% of the contribution and benefit base for Social Security as defined in the Social Security Act for the year in which the wages were earned, paid to permanent residents of the territories employed in a firm's 91/5 watch and watch movement assembly operations, plus wages paid for the repair of non-91/5 watches up to an amount equal to 50% of the firm's total creditable wages, and for wages paid for the complete assembly of watches in the insular possession, with the exception of the movement, only in situations where the desired movement can not be purchased in an unassembled condition. \* \* \*

(14) *Non-91/5 watches and watch movements* include, but are not limited to, watches and movements which are liquidated as dutiable by the Bureau of Customs and Border Protection but do not include, for purposes of the duty refund, watches that are completely assembled in the insular possessions, with the exception of a desired movement if the movement cannot be purchased in an unassembled condition; contains any material which is the product of any country with respect to which Column 2 rates of duty apply; are ineligible for duty-free treatment pursuant to law or regulation; or are units the assembly of which the Departments have determined not to involve substantial and meaningful work in the territories (as elsewhere defined in these regulations).

\* \* \* \* \*

■ 5. Section 303.5(b)(6) is revised to read as set forth below.

**§ 303.5 Application for annual allocation of duty-exemptions.**

\* \* \* \* \*

(b) \* \* \*

(6) Records on purchases of components, including documentation on the purchase of any preassembled movements, which demonstrate that such movements could not have been purchased from the vendor in an unassembled condition, and records on the sales of insular watches and movements, including proof of payment; and"

\* \* \* \* \*

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BILLING CODES 3510-DS-P and 4310-93-P

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9080]

RIN 1545-BC47

**Reduction of Tax Attributes Due to Discharge of Indebtedness; Correction**

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

**ACTION:** Reduction of tax attributes due to discharge of indebtedness.

**SUMMARY:** This document contains corrections to temporary regulations that were published in the **Federal Register** on July 18, 2003 (68 FR 42590). These regulations relate to the reduction of tax attributes under sections 108 and 1017 of the Internal Revenue Code.

**EFFECTIVE DATE:** This correction is effective July 18, 2003.

**FOR FURTHER INFORMATION CONTACT:** Theresa M. Kolish (202) 622-7930 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The temporary regulations that are the subject of these corrections are under sections 108 and 1017 of the Internal Revenue Code.

**Need for Correction**

As published, the temporary regulations (TD 9080) contain errors that may prove to be misleading and are in need of clarification.

**Correction of Publication**

■ Accordingly, the publication of the temporary regulations (TD 9080) which are the subject of FR Doc. 03-18145, is corrected as follows:

**§ 1.108-7T [Corrected]**

■ 1. On page 42592, column 3, § 1.108-7T, paragraph (a)(2), line 2 thru 7, the language "section 108(b)(5), however, to reduce first the basis of depreciable property to the extent of the excluded COD income. If the basis of depreciable property is insufficient to offset the entire amount of the excluded COD income, the" is corrected to read "section 108(b)(5), however, to apply any portion of the excluded COD income to reduce first the basis of depreciable property. To the extent the excluded COD income is not so applied, the".

■ 2. On page 42593, column 1, § 1.108-7T(d), paragraph (i) of *Example 3*, line 3, the language "trade debts of \$200,000 and a depreciable" is corrected to read "debts of \$200,000 and a depreciable".

■ 3. On page 42593, column 1, § 1.108-7T(d), paragraph (i) of *Example 3*, line 14, the language "trade creditors in exchange for release of" is corrected to read "creditors in exchange for release of".

■ 4. On page 42593, column 1, § 1.108-7T(d), paragraph (ii) of *Example 3*, line 19, the language "requirements of section 354(a)(1)(A) and (B)." is corrected to read "requirements of section 354(b)(1) (A) and (B).".

■ 5. On page 42593, column 1, § 1.108-7T(d), paragraph (ii) of *Example 3*, line 2, the language "to X's trade creditors, under section" is corrected to read "to X's creditors, under section".

■ 6. On page 42593, column 1, § 1.108-7T(d), paragraph (ii) of *Example 3*, line 7, the language "owed the trade creditors for \$100,000, the fair" is corrected to read "owed the creditors for \$100,000, the fair".

■ 7. On page 42593, column 2, § 1.108-7T(d), paragraph (ii) of *Example 4*, line 2, the language "distribution of Y stock to X's trade creditors," is corrected to read "distribution of Y stock to X's creditors,".

**Cynthia E. Grigsby,**

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**DEPARTMENT OF COMMERCE**

**Patent and Trademark Office**

**37 CFR Part 2**

[Docket No. 2003-T-024]

RIN 0651-AB68

**Reorganization of Correspondence and Other General Provisions**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Final rule; correction.

**SUMMARY:** The United States Patent and Trademark Office ("Office") published in the **Federal Register** of August 13, 2003 (68 FR 48286), a final rule amending its rules to separate the provisions for patent matters and trademark matters with respect to filing correspondence, requesting copies of documents, payment of fees, and general information. This document corrects a typographical error in the final rule.

**EFFECTIVE DATE:** October 1, 2003.

**FOR FURTHER INFORMATION CONTACT:** Mary Hannon, Office of the