

notice. Persons interested in being placed on a mailing list for future NPRM's should contact the FAA's Office of Rulemaking, (202) 267-9677, to request a copy of Advisory Circular No. 11-2A, Notice of Proposed Rulemaking Distribution System, which describes the application procedure.

### The Proposal

The FAA is considering an amendment to 14 CFR part 71 to modify Class E airspace at Madison, IN, for Madison Municipal Airport. Controlled airspace extending upward from 700 feet or more above the surface of the earth is needed to contain aircraft executing instrument approach procedures. The area would be depicted on appropriate aeronautical charts. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9M dated August 30, 2004, and effective September 16, 2004, which is incorporated by reference in 14 CFR 71.1. The Class E designations listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an establishment body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore this, proposed regulation—(1) is not a "significant regulatory action" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979), and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

### List of Subjects in 14 CFR Part 71

Airspace, Incorporated by reference, Navigation (air).

### The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

#### § 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9M, Airspace Designations and Reporting Points, dated August 30, 2004, and effective September 16, 2004, is amended as follows:

\* \* \* \* \*

*Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

#### AGL IN E5 Madison, IN [Revised]

Madison Municipal Airport, IN  
(Lat. 38°45'32" N., long. 85°27'56" W.)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Madison Airport.

\* \* \* \* \*

Issued in Des Plaines, Illinois on June 15, 2005.

**Nancy B. Kort,**

*Area Director, Central Terminal Operations*

[FR Doc. 05-13081 Filed 6-30-05; 8:45 am]

**BILLING CODE 4910-13-M**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1 and 31

[REG-142686-01]

RIN-1545-BA26

### Application of the Federal Insurance Contributions Act, Federal Unemployment Tax Act, and Collection of Income Tax at Source to Statutory Stock Options

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

**ACTION:** Withdrawal of notice of proposed rulemaking.

**SUMMARY:** This document withdraws the notice of proposed rulemaking relating to the application of the Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA), and Collection of Income Tax at Source to incentive stock options and options granted under employee stock purchase plans (collectively referred to as "statutory stock options") that was published on November 14, 2001. This withdrawal affects employers that grant these options and employees who exercise these options.

**FOR FURTHER INFORMATION CONTACT:** Paul J. Carlino or Michael Swim, 202-622-0047 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

On November 14, 2001, the IRS and Treasury published proposed amendments to 26 CFR part 31 under sections 3121(a), 3306(b), and 3401(a) of the Internal Revenue Code (Code), and to 26 CFR part 1 under section 424 of the Code, that would address the application of the FICA, FUTA, and Collection of Income Tax at Source to statutory stock options. These proposed amendments to the regulations were published in the **Federal Register** (66 FR 57023).

The American Jobs Creation Act of 2004 (the AJCA), H.R. 4520, Public Law 108-357 (118 Stat. 1418), was enacted on October 22, 2004. Section 251 of the AJCA amended sections 3121(a) and 3306(b) of the Code to exclude remuneration on account of a transfer of a share of stock to any individual pursuant to an exercise of an incentive stock option (as defined in section 422(b)) or under an employee stock purchase plan (as defined in section 423(b)), or any disposition by the individual of such stock, from the definition of wages for FICA and FUTA tax purposes, respectively. Section 251 of the AJCA also amended sections 421(b) and 423(c) of the Code so that no amount shall be required to be deducted and withheld under the Collection of Income Tax at Source provisions of the Code with respect to any amount treated as compensation under section 421(b) or 423(c), respectively. Because the proposed amendments to the regulations are no longer consistent with the statutes, the IRS and Treasury are withdrawing the proposed amendments to the regulations.

The statutory amendments made by section 251 of the AJCA apply to stock acquired pursuant to statutory stock options exercised after October 22, 2004. For guidance applying to stock acquired pursuant to statutory stock options exercised on or before October 22, 2004, see Notice 2002-47 (2002-2 C.B. 97).

##### List of Subjects

###### 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

###### 26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping

requirements, Social security, Unemployment compensation.

### Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking (REG-142686-01) that was published in the **Federal Register** on November 14, 2001 (66 FR 57023) is withdrawn.

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 05-12956 Filed 6-30-05; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Part 4

[Notice No. 49]

RIN 1513-AB11

#### Proposed Change to Vintage Date Requirements (2005R-212P)

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau proposes to change the minimum content requirement for vintage date statements on some wine labels. We take this action in response to a petition from a trade association representing California wineries. We invite comments on this proposed amendment to our regulations.

**DATES:** We must receive your written comments on or before August 30, 2005.

**ADDRESSES:** You may send comments to any of the following addresses:

- Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, Attn: Notice No. 49, P.O. Box 14412, Washington, DC 20044-4412.
- 202-927-8525 (facsimile).
- [nprm@ttb.gov](mailto:nprm@ttb.gov) (e-mail).
- <http://www.ttb.gov/alcohol/rules/index.htm>. An online comment form is posted with this notice on our Web site.
- <http://www.regulations.gov> (Federal e-rulemaking portal; follow instructions for submitting comments).

You may view copies of the petition, this notice, and any comments we receive about this notice by appointment at the TTB Library, 1310 G Street, NW., Washington, DC 20220. To make an appointment, call 202-927-2400. You may also access copies of the

petition, notice and comments online at <http://www.ttb.gov/alcohol/rules/index.htm>.

See the Public Participation section of this notice for specific instructions and requirements for submitting comments, and for information on how to request a public hearing.

#### FOR FURTHER INFORMATION CONTACT:

Marjorie D. Ruhf, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Washington, DC 20220; telephone 202-927-8202.

#### SUPPLEMENTARY INFORMATION:

##### Background on Wine Labeling

###### *TTB Authority*

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding product identity and prohibits the use of misleading information on such labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

##### Vintage Date Requirements

###### *Current Requirements*

Part 4 of the TTB regulations (27 CFR part 4) contains the rules governing labeling of wine. The current rule for the use of a vintage date on a wine label is found in § 4.27 (27 CFR 4.27). Section 4.27 requires that 95 percent of the grapes in a vintage-dated wine be harvested in the calendar year shown on the label and that the wine be labeled with an appellation of origin other than a country.

Before 1972, regulations in part 4 defined the phrase “vintage wine” as wine that was made “wholly from grapes gathered in the same calendar year and grown and fermented in the same viticultural area, and conforming to the standards prescribed in Classes 1, 2, and 3 of § 4.21.” In T.D. 7185 (37 FR 7974), published on April 22, 1972, the Internal Revenue Service (IRS), which administered the FAA Act at the time, amended that definition to allow the addition of up to five percent of other wines to vintage wine. An industry association had requested this change in order to allow producers to replace wine lost by evaporation and leakage during the aging period. In adopting the change, the IRS recognized that requiring vintage wine to be derived wholly from grapes gathered in the stated year was “unnecessarily

restrictive when viewed in the light of practices in some of the principal wine producing countries of the world.” The IRS also concluded that liberalization of the vintage date regulations “would not be adverse to the consumer interest.”

###### *Vintage Date Petition*

The Wine Institute, a trade association of California wineries, submitted a petition to TTB to amend paragraph (a) of § 4.27 to allow wine labeled with a State, multistate, county, or multicounty appellation of origin (or the foreign equivalent of a State or county) to bear a vintage date if at least 85 percent of the wine is derived from grapes harvested in the labeled calendar year. The Wine Institute proposes to retain the current requirement that at least 95 percent of the grapes in a vintage-dated wine be harvested in the year shown on the label (the “95 percent rule”) for wine with an American viticultural area (or its foreign equivalent) as an appellation of origin. An American viticultural area is a delimited grape growing region approved by TTB that is distinguishable by geographical features; the American viticultural areas are listed in part 9 of the TTB regulations (27 CFR part 9). A foreign equivalent of an American viticultural area is a delimited place or region, other than a political subdivision, which has been established by the country of origin.

In support of its request, the petitioner provided information comparing the vintage date labeling requirement of the United States to those of other wine producing countries. This information shows that the 95 percent rule for vintage wine used by the United States is unusually high when compared to the vintage date requirements of other countries. Specifically, the petitioner notes that Australia, New Zealand, and the Member States of the European Union have an 85 percent same-year content requirement for vintage-dated wine, while Chile and South Africa require that only 75 percent of the grapes in a vintage-dated wine be grown in the year shown on the label. The petitioner did not provide information on precedents for their proposed dual standard for vintage labeling of wine from viticultural areas and other appellations of origin. We note, however, that the TTB appellation of origin regulations use a multiple standard for the percentage of grapes that must be grown in the labeled appellation, that is, 85 percent for a wine labeled with a viticultural area appellation, 75 percent for single State or county appellations,