

the taxpayer's allocations is warranted and complete any such examination. The separate cycle will be worked as resources are available and may not have the same estimated completion date as the other issues under examination for the taxable year. The IRS may ask the taxpayer to extend the statute of limitations on assessment and collection for the taxable year to permit examination of the taxpayer's method of allocation, including an extension limited, where appropriate, to the taxpayer's method of allocation.

(1) *Effective date.* This section applies to taxable years beginning on or after December 27, 2006.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 4.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 5.** In § 602.101 paragraph (b) is amended by adding an entry to the table in numerical order, §§ 1.863–8 and 1.863–9, to read as follows:

§ 602.101 OMB Control numbers.

* * * * *
(b) * * *

CFR part or section where identified and described	Current OMB control No.
1.863–8	1545–1718.
1.863–9	1545–1718.

Kevin M. Brown,
Acting Deputy Commissioner for Services and Enforcement.

Approved: December 21, 2006.

Eric Solomon,
Assistant Secretary of the Treasury (Tax Policy).
[FR Doc. E6–22174 Filed 12–26–06; 8:45 am]
BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 31

[TD 9276]

RIN 1545–BD96

Flat Rate Supplemental Wage Withholding; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD

9276) that were published in the **Federal Register** on Tuesday, July 25, 2006 (71 FR 42049), amending the regulations that provide for determining the amount of income tax withholding on supplemental wages. These regulations apply to all employers and others making supplemental wage payments to employees.

DATES: The correction will be effective January 1, 2007.

FOR FURTHER INFORMATION CONTACT: A.G. Kelley, (202) 622–6040 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under sections 3401 and 3402 of the Internal Revenue Code.

Need for Corrections

As published, final regulations (TD 9276) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping requirements, Social security, Unemployment compensation.

Correction of Publication

■ Accordingly, 26 CFR part 31 is corrected by making the following correcting amendments:

PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE

■ **Paragraph 1.** The authority citation for part 31 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 2.** Section 31.3402(g)-1(a)(8) is amended by revising the fifth sentence of *Example 1* paragraph (iii), the fifth sentence of *Example 3* paragraph (i), the last sentence of *Example 3* paragraph (iv) and the third sentence of *Example 3* paragraph (vi).

The revisions read as follows:

§ 31.3402(g)-1 Supplemental wage payments.

(a) * * *

(8) * * *

Example 1. * * *

(iii) * * * If Y elected to withhold income tax using paragraph (a)(7) of this section, Y would withhold on the \$400,000 component at 25 percent (pursuant to paragraph (a)(7)(iii)(F) of this section), which would result in \$100,000 tax withheld. * * *

* * * * *

Example 3. (i) * * * Unrelated company U pays D sick pay as an agent of the employer R and such sick pay is supplemental wages pursuant to § 31.3401(a)-1(b)(8)(i)(b)(2). * * *

* * * * *

(iv) * * * If R elects to use optional flat rate withholding provided under paragraph (a)(7)(iii)(f) of this section, withholding would be calculated at 25 percent of the \$1,000,000 portion of the payment and would be \$250,000.

* * * * *

(vi) * * * If U elects to withhold income tax at the flat rate provided under paragraph (a)(7)(iii)(F) of this section, withholding on the \$50,000 of sick pay would be calculated at 25 percent of the \$50,000 payment and would be \$12,500. * * *

* * * * *

LaNita Van Dyke,
Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).
[FR Doc. E6–22022 Filed 12–26–06; 8:45 am]
BILLING CODE 4830–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD05–06–119]

RIN 1625–AA–09

Drawbridge Operation Regulations; Potomac River, Alexandria, VA and Oxon Hill, MD

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Commander, Fifth Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the new Woodrow Wilson Memorial (I–95) Bridge, mile 103.8, across Potomac River between Alexandria, Virginia and Oxon Hill, Maryland. This deviation allows the new drawbridge to remain closed to navigation each day from 10 a.m. to 2 p.m. beginning on December 25, 2006 until and including February 22, 2007, to facilitate completion of the Outer Loop portion for the new Woodrow Wilson Bridge construction project.

DATES: This deviation is effective from 10 a.m. on December 25, 2006, until 2 p.m. on February 22, 2007.

ADDRESSES: Materials referred to in this document are available for inspection or copying at Commander (dpb), Fifth Coast Guard District, Federal Building, 1st Floor, 431 Crawford Street,