

amounts attributed under section 1248(c)(2)) and the earnings and profits attributable to the stock of the distributee accumulated after the liquidation (including amounts attributed under section 1248(c)(2)).

(2) *Special rule regarding section 381.* Solely for purposes of determining the earnings and profits (or deficit in earnings and profits) attributable to stock under this paragraph (c), the attributed earnings and profits of a corporation shall not include earnings and profits that are treated as received or incurred pursuant to section 381(c)(2)(A) and § 1.381(c)(2)-1(a).

(3) *Example.* (i) *Facts.* DC, a domestic corporation, has owned all of the stock of CFC1, a foreign corporation, since its formation on January 1, year 1. CFC1 is an operating company that has owned all of the stock of CFC2, a foreign corporation, since its formation on January 1, year 1. On December 31, year 2, CFC1 has \$200 of accumulated earnings and profits and CFC2 has a (\$200) deficit in earnings and profits. On December 31, year 2, CFC2 distributes all of its assets and liabilities to CFC1 in a liquidation to which section 332 applies. From January 1, year 3, until December 31, year 4, CFC1 accumulates no additional earnings and profits. On December 31, year 4, DC sells its stock in CFC1.

(ii) *Result.* Pursuant to paragraph (c)(1) of this section, there are no earnings and profits attributable to DC's CFC1 stock. This amount consists of the sum of the earnings and profits attributable to the CFC1 stock immediately before the liquidation (100% of the \$200 accumulated earnings and profits of CFC1 and 100% of CFC2's (\$200) deficit in earnings and profits) and the amount of earnings and profits accumulated after the section 332 liquidation (see also section 1248(c)(2)).

(d) *Effective/applicability date.* This section applies to income inclusions that occur on or after July 30, 2007.

**Kevin M. Brown,**

*Deputy Commissioner for Services and Enforcement.*

Approved: July 16, 2007.

**Eric Solomon,**

*Assistant Secretary of the Treasury (Tax Policy).*

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[EPA-R09-OAR-2007-0236; FRL-8444-3]

**Partial Withdrawal of Direct Final Rule Revising the California State Implementation Plan, San Joaquin Valley Air Pollution Control District**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule; partial withdrawal.

**SUMMARY:** On May 30, 2007 (72 FR 29886), EPA published a direct final approval of revisions to the California State Implementation Plan (SIP). These revisions concerned San Joaquin Valley Air Pollution Control District (SJVAPCD) Rule 4307, Boilers, Steam Generators and Process Heaters—2.0 MMBtu/hr to 5.0 MMBtu/hr; Rule 4308, Boilers, Steam Generators and Process Heaters—0.075 MMBtu/hr to 2.0 MMBtu/hr; Rule 4309, Dryers, Dehydrators, and Ovens; Rule 4352, Solid Fuel Fired Boilers, Steam Generators and Process Heaters; and Rule 4905, Natural Gas-Fired, Fan-Type Residential Central Furnaces. The direct final action was published without prior proposal because EPA anticipated no adverse comment. The direct final rule stated that if adverse comments were received by June 29, 2007, EPA would publish a timely withdrawal in the **Federal Register**. EPA received timely adverse comments. Consequently, with this revision we are withdrawing the direct final approval of SJVAPCD Rule 4352. EPA will either address the comments in a subsequent final action based on the parallel proposal also published on May 30, 2007 (72 FR 29901), or repropose an alternative action. As stated in the parallel proposal, EPA will not institute a second comment period on a subsequent final action. The other rules approved in the May 30, 2007 direct final action, SJVAPCD Rules 4307, 4308, 4309, and 4905, are not affected by this partial withdrawal and are incorporated into the SIP as of the effective date of the May 30, 2007 direct final action. **DATES:** This rule and withdrawal are effective July 30, 2007.

**ADDRESSES:** EPA has established docket number EPA-R09-OAR-2007-0236 for this action. The index to the docket is available electronically at <http://www.regulations.gov> and in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California. While all documents in the docket are listed in the index, some information may be

publicly available only at the hard copy location (e.g., copyrighted material), and some may not be publicly available in either location (e.g., CBI). To inspect the hard copy materials, please schedule an appointment during normal business hours with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section.

**FOR FURTHER INFORMATION CONTACT:** Francisco Dóñez, EPA Region IX, (415) 972-3956, [Donez.Francisco@epa.gov](mailto:Donez.Francisco@epa.gov).

**List of Subjects in 40 CFR Part 52**

Environmental protection, Air pollution control, Intergovernmental relations, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements.

Dated: July 10, 2007.

**Keith Takata,**

*Acting Regional Administrator, Region IX.*

■ Part 52, chapter I, title 40 of the Code of Federal Regulations is amended as follows:

**PART 52—[AMENDED]**

■ 1. The authority citation for part 52 continues to read as follows:

**Authority:** 42 U.S.C. 7401 *et seq.*

■ 2. Section 52.220 is amended by revising paragraph (c)(347)(i)(A)(1) to read as follows:

**§ 52.220 Identification of plan.**

\* \* \* \* \*

- (c) \* \* \*
- (347) \* \* \*
- (i) \* \* \*
- (A) \* \* \*

(1) Rule 4307, adopted on April 20, 2006.

\* \* \* \* \*

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[EPA-R05-OAR-2007-0292; FRL-8442-9]

**Approval and Promulgation of Air Quality Implementation Plans; Indiana**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Direct final rule.

**SUMMARY:** EPA is approving Indiana's requests to amend its State Implementation Plan (SIP) for control of particulate matter in 326 IAC 6.5-7-13. Indiana submitted the SIP revision requests to EPA on November 1, 2005 and March 20, 2007. The revisions would change the source name from St.