

will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal author of these regulations is Jeffrey L. Parry of the Office of Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. Section 1.904–2(i) is added to read as follows:

§ 1.904–2 Carryback and carryover of unused foreign tax.

* * * * *

(i) [The text of proposed § 1.904–2(i) is the same as the text of § 1.904–2T(i)(1) through (3) published elsewhere in this issue of the **Federal Register**.]

Par. 3. In § 1.904–4, paragraphs (a), (b), (h)(3), and (l) are revised and paragraph (n) is added to read as follows:

§ 1.904–4 Separate application of section 904 with respect to certain categories of income.

(a) [The text of the proposed amendment to § 1.904–4(a) is the same as the text of § 1.904–4T(a) published elsewhere in this issue of the **Federal Register**.]

(b) [The text of the proposed amendment to § 1.904–4(b) is the same as the text of § 1.904–4T(b) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(h) * * *

(3) [The text of the proposed amendment to § 1.904–4(h)(3) is the same as the text of § 1.904–4T(h)(3) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(l) [The text of the proposed amendment to § 1.904–4(l) is the same

as the text of § 1.904–4T(l) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(n) [The text of proposed § 1.904–4(n) is the same as the text of § 1.904–4T(n) published elsewhere in this issue of the **Federal Register**.]

Par. 4. In § 1.904–5, paragraph (h)(3) is revised and paragraph (o)(3) is added to read as follows:

§ 1.904–5 Look-through rules as applied to controlled foreign corporations and other entities.

* * * * *

(h) * * *

(3) [The text of the proposed amendment to § 1.904–5(h)(3) is the same as the text of § 1.904–5T(h)(3) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(o) * * *

(3) [The text of proposed § 1.904–5(o)(3) is the same as the text of § 1.904–5T(o)(3) published elsewhere in this issue of the **Federal Register**.]

Par. 5. Section 1.904–7(g) is added to read as follows:

§ 1.904–7 Transition rules.

* * * * *

(g) [The text of proposed § 1.904–7(g) is the same as the text of § 1.904–7T(g)(1) through (6) published elsewhere in this issue of the **Federal Register**.]

Par. 6. § 1.904(f)–12(h) is added to read as follows:

§ 1.904(f)–12 Transition rules.

* * * * *

(h) [The text of proposed § 1.904–12(h) is the same as the text of § 1.904–12T(h)(1) through (h)(6) published elsewhere in this issue of the **Federal Register**.]

Linda E. Stiff,

Deputy Commissioner for Services and Enforcement.

[FR Doc. E7–24783 Filed 12–20–07; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–141399–07]

RIN 1545–BH13

Treatment of Overall Foreign and Domestic Losses

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section in this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance relating to the recapture of overall foreign and domestic losses. Changes to the applicable law were made by the American Jobs Creation Act of 2004, as corrected by the Gulf Opportunity Zone Act of 2005. The temporary regulations provide guidance needed to comply with these changes, as well as updated guidance with respect to overall foreign losses and separate limitation losses, and affect individuals and corporations claiming foreign tax credits. The text of those temporary regulations published in this issue of the **Federal Register** also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by March 20, 2008. Outlines of topics to be discussed at the public hearing scheduled for April 10, 2008, at 10 a.m. must be received by March 20, 2008.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG–141399–07), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–141399–07), Courier's desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20044, or sent electronically, via the Federal eRulemaking Portal at www.regulations.gov (IRS REG–141399–07). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Jeffrey L. Parry, (202) 622–3850 (not a toll free number); concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Richard Hurst, Richard.A.Hurst@irs.counsel.treas.gov.

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR Part 1) providing rules relating to the recapture of overall domestic losses under section

904(g) as well as the recapture overall foreign losses and separate limitation losses under section 904(f). The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations. The regulations affect individuals and corporations claiming foreign tax credits.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f), these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any electronic or written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The Treasury Department and the IRS specifically request comments on the clarity of the proposed regulations and how they may be made easier to understand. Moreover, the Treasury Department and the IRS are considering providing additional guidance on overall domestic losses and separate limitation losses, as well as further revisions to the overall foreign loss provisions of the 1987 regulations. Comments are welcome on this ongoing project, particularly with regard to the need to provide for guidance on the application of the overall domestic loss provisions to income earned through foreign or domestic trusts, as well as guidance regarding the recapture of overall foreign losses and separate limitation losses on the disposition of property under section 904(f)(3) and (f)(5)(F). In addition, the Treasury Department and the IRS are continuing to study whether additional rules to better coordinate the overall foreign loss and overall domestic loss regimes would be appropriate, including whether a netting rule should apply to offsetting overall foreign loss accounts and overall domestic loss accounts. The

Treasury Department and the IRS welcome additional comments in this regard. All comments will be available for public inspection and copying.

A public hearing has been scheduled for April 10, 2008, in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit electronic or written comments by March 20, 2008 and an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by March 20, 2008. A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal author of these regulations is Jeffrey L. Parry of the Office of Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry in numerical order to read in part as follows:

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

Section 1.904(g)–3 also issued under 26 U.S.C. 904(g)(4) * * *

Par. 2. Section 1.904–0 is amended by revising the entries for § 1.904(f)–1(a), (d)(2), (d)(3), and (d)(4), and for

§ 1.904(f)–2(c) and (c)(1), and adding entries for §§ 1.904(f)–7 and 1.904(f)–8 to read as follows:

§ 1.904–0 Outline of regulation provisions for section 904.

* * * * *

§ 1.904(f)–1 *Overall foreign loss and the overall foreign loss account.*

* * * * *

(a)(1) and (a)(2) [The text of these entries is the same as the text of the entries for § 1.904(f)–1T(a)(1) and (a)(2) in § 1.904(f)–0T published elsewhere in this issue of the **Federal Register**.]

* * * * *

(d)(2), (d)(3), and (d)(4) [The text of these entries is the same as the text of the entries for § 1.904(f)–1T(d)(2), (d)(3), and (d)(4) in § 1.904(f)–0T published elsewhere in this issue of the **Federal Register**.]

* * * * *

§ 1.904(f)–2 *Recapture of overall foreign losses.*

* * * * *

(c) and (c)(1) [The text of these entries is the same as the text of the entries for § 1.904(f)–2T(c) and (c)(1) in § 1.904(f)–0T published elsewhere in this issue of the **Federal Register**.]

* * * * *

§ 1.904(f)–7 *Separate limitation loss and the separate limitation loss account.*

[The text of the entries for this section is the same as the text of the entries for § 1.904(f)–7T(a) through (f) in § 1.904(f)–0T published elsewhere in this issue of the **Federal Register**.]

§ 1.904(f)–8 *Recapture of separate limitation loss accounts.*

[The text of the entries for this section is the same as the text of the entries for § 1.904(f)–8T(a) through (c) in § 1.904(f)–0T published elsewhere in this issue of the **Federal Register**.]

Par. 3. In § 1.904(f)–1, paragraph (a)(2) is added, and paragraph (d)(4) is revised, to read as follows:

§ 1.904(f)–1 Overall foreign loss and the overall foreign loss account.

(a)(1) * * *

(2) [The text of the proposed amendments to § 1.904(f)–1(a)(2) is the same as the text of § 1.904(f)–1T(a)(2) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(d) * * *

(4) [The text of the proposed amendments to § 1.904(f)–1(d)(4) is the same as the text of § 1.904(f)–1T(d)(4) published elsewhere in this issue of the **Federal Register**.]

* * * * *

Par. 4. Section 1.904(f)–2(c)(1) and (c)(5) *Example 4*. are revised to read as follows:

§ 1.904(f)-2 Recapture of overall foreign losses.

* * * * *

(c) * * * (1) [The text of the proposed amendments to § 1.904(f)-2(c)(1) is the same as the text of § 1.904(f)-2T(c)(1) published elsewhere in this issue of the **Federal Register**.]

* * * * *

(5) * * *

Example 4. [The text of the proposed amendments to § 1.904(f)-2(c)(5) *Example 4.* is the same as the text of § 1.904(f)-2T(c)(5) *Example 4.* published elsewhere in this issue of the **Federal Register**.]

* * * * *

Par. 5. Sections 1.904(f)-7 and 1.904(f)-8 are added to read as follows:

§ 1.904(f)-7 Separate limitation loss and the separate limitation loss account.

[The text of proposed § 1.904(f)-7 is the same as the text of § 1.904(f)-7T(a) through (f) published elsewhere in this issue of the **Federal Register**.]

§ 1.904(f)-8 Recapture of separate limitation loss accounts.

[The text of proposed § 1.904(f)-8 is the same as the text of § 1.904(f)-8T(a) through (c) published elsewhere in this issue of the **Federal Register**.]

Par. 6. Section 1.904(g)-0 is added to read as follows:

§ 1.904(g)-0 Outline of regulation provisions.

* * * * *

§ 1.904(g)-1 Overall domestic loss and the overall domestic loss account.

[The text of the entries for this section is the same as the text for § 1.904(g)-1T(a) through (f) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

§ 1.904(g)-2 Recapture of overall domestic losses.

[The text of the entries for this section is the same as the text for § 1.904(g)-2T(a) through (d) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

§ 1.904(g)-3 Ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and for recapture of separate limitation losses, overall foreign losses, and overall domestic losses.

[The text of the entries for this section is the same as the text for § 1.904(g)-3T(a) through (i) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

Par. 7. Sections 1.904(g)-1, 1.904(g)-2, and 1.904(g)-3 are added to read as follows:

§ 1.904(g)-1 Overall domestic loss and the overall domestic loss account.

[The text of proposed § 1.904(g)-1 is the same text of § 1.904(g)-1T(a)

through (f) published elsewhere in this issue of the **Federal Register**.]

§ 1.904(g)-2 Recapture of overall domestic losses.

[The text of proposed § 1.904(g)-2 is the same text of § 1.904(g)-2T(a) through (d) published elsewhere in this issue of the **Federal Register**.]

§ 1.904(g)-3 Ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and for recapture of separate limitation losses, overall foreign losses, and overall domestic losses.

[The text of proposed § 1.904(g)-3 is the same text of § 1.904(g)-3T(a) through (i) published elsewhere in this issue of the **Federal Register**.]

Par. 8. Section 1.1502-9 is revised to read as follows:

§ 1.1502-9 Consolidated overall foreign losses and separate limitation losses.

[The text of proposed § 1.1502-9 is the same as the text of § 1.1502-9T(a) through (e) published elsewhere in this issue of the **Federal Register**.]

Linda E. Stiff,

Deputy Commissioner for Services and Enforcement.

[FR Doc. E7-24896 Filed 12-20-07; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE INTERIOR**Minerals Management Service**

30 CFR Parts 203, 250, 251, 256, 280, 281, and 290

[Docket ID: MMS-2007-OMM-0065]

RIN 1010-AD43

Electronic Payment of Fees for Outer Continental Shelf Activities

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Proposed rule.

SUMMARY: The MMS proposes that all lessees, operators, permittees, and rights-of-way holders pay all fees for processing plans, applications, and permits electronically. The MMS believes this proposed rule would aid industry in payment processing, and reduce payment processing errors. This proposed rule would improve MMS processing efficiency and facilitate the correction of industry payment errors. The MMS would not accept checks, money orders, or cashier's checks for payment of fees after the effective date of the final rule.

DATES: Submit comments by February 19, 2008. The MMS may not fully

consider comments received after this date.

ADDRESSES: You may submit comments on the rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1010-AD43 as an identifier in your message. See also Public Availability of Comments under Procedural Matters.

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Select "Minerals Management Service" from the agency drop-down menu, then click "submit." In the Docket ID column, select MMS-2007-OMM-0065 to submit public comments and to view supporting and related materials available for this rulemaking. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site's "User Tips" link. All comments submitted will be posted to the docket.

- Mail or hand-carry comments to the Department of the Interior; Minerals Management Service; Attention: Regulations and Standards Branch (RSB); 381 Elden Street, MS-4024, Herndon, Virginia 20170-4817. Please reference "Electronic Payment of Fees for Outer Continental Shelf Activities, 1010-AD43" in your comments and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Kirk Malstrom, Petroleum Engineer, Offshore Minerals Management, Office of Offshore Regulatory Programs at (703) 787-1751.

SUPPLEMENTARY INFORMATION:**Background**

This proposed rule would require a lessee, operator, pipeline right-of-way (ROW) holder, or permittee to submit payments for cost recovery service fees electronically. The idea for paying electronically is not a new concept and industry has been informed of MMS's intentions to collect fees electronically in the Notice to Lessees (NTL) No. 2006-N05 Payment Method for New and Existing Cost Recovery Fees. As stated in NTL No. 2006-N05, MMS prefers and strongly urges applicants to pay their fees using credit card or Automated Clearing House (ACH) payments through the Pay.Gov Web site. Launched in October 2000, Pay.Gov is a secure government-wide collection portal, developed to meet the U.S. Treasury's commitment to process collections electronically using internet technologies. Pay.Gov has been developed to help Federal agencies meet the directives outlined in the Government Paperwork Elimination