

excluded from gross income provided P succeeds to S's intercompany item; P and S are a single entity; P's basis in the T stock that reflects the \$60 intercompany gain taken into account is eliminated without the recognition of gain or loss (and this eliminated basis is not further reflected in any successor asset); the group has not derived any Federal income tax benefit from the basis in the T stock and will not derive any Federal income tax benefit from a redetermination of this portion of the gain; and the effects of the intercompany transaction have not previously been reflected, directly or indirectly, on the P group's consolidated return. (See paragraph (c)(6)(ii)(C) of this section.) The intercompany transaction with respect to the T stock resulted in an increase in the basis of the T stock, and this increase in the basis of the T stock prevented P from holding the T stock with a \$10 excess loss account (as a result of the Year 7 distribution) at the time of the section 355 distribution. Accordingly, the group derived a Federal income tax benefit from the intercompany transaction to the extent of \$10 and, under paragraph (c)(6)(ii)(C) of this section, only \$50 of the \$60 intercompany gain that P takes into account is redetermined to be excluded from gross income.

(c) *Application of section 355(e)*. If it were determined that section 355(e) applied to P's distribution of the T stock, P would recognize \$0 of gain and derive a Federal income tax benefit to the extent of the full \$60 increase in the basis of the T stock. Therefore, no portion of P's intercompany gain would be redetermined to be excluded from gross income under paragraph (c)(6)(ii)(C) of this section.

(iii) *Effective/applicability date*—(A) *In general*. Paragraphs (c)(6)(ii)(C), (c)(6)(ii)(D), and (c)(7)(ii), *Examples 16* and *17* of this section apply with respect to items taken into account on or after March 4, 2011.

(B) *Prior periods*. For items taken into account on or after March 7, 2008, and before March 4, 2011, see § 1.1502–13T(c)(6)(ii)(C) and (f)(7), *Examples 7* and *8* as contained in 26 CFR part 1 in effect on April 1, 2009. For items taken into account before March 7, 2008, see § 1.1502–13 as contained in 26 CFR part 1 in effect on April 1, 2007.

* * * * *

■ **Par. 3.** Section 1.1502–13T is revised to read as follows:

§ 1.1502–13T Intercompany transactions (temporary).

(a) through (f)(5)(ii)(A) [Reserved]. For further guidance see § 1.1502–13(a) through (f)(5)(ii)(A).

(B) *Section 332—(1) In general*. If section 332 would otherwise apply to T's (old T's) liquidation into B, and B transfers substantially all of old T's assets to a new member (new T), and if a direct transfer of substantially all of old T's assets to new T would qualify

as a reorganization described in section 368(a), then, for all Federal income tax purposes, T's liquidation into B and B's transfer of substantially all of old T's assets to new T will be disregarded and instead, the transaction will be treated as if old T transferred substantially all of its assets to new T in exchange for new T stock and the assumption of T's liabilities in a reorganization described in section 368(a). (Under § 1.1502–13(j)(1), B's stock in new T would be a successor asset to B's stock in old T, and S's gain would be taken into account based on the new T stock.)

(2) *Time limitation and adjustments*. The transfer of old T's assets to new T qualifies under paragraph (f)(5)(ii)(B)(1) of this section only if B has entered into a written plan, on or before the due date of the group's consolidated income tax return (including extensions), to transfer the T assets to new T, and the statement described in paragraph (f)(5)(ii)(E) of this section is included on or with a timely filed consolidated tax return for the tax year that includes the date of the liquidation (including extensions). However, see paragraph (f)(5)(ii)(F) of this section for certain situations in which the plan may be entered into after the due date of the return and the statement described in paragraph (f)(5)(ii)(E) of this section may be included on either an original tax return or an amended tax return filed after the due date of the return. In either case, the transfer of substantially all of T's assets to new T must be completed within 12 months of the filing of the return.

Appropriate adjustments are made to reflect any events occurring before the formation of new T and to reflect any assets not transferred to new T, or liabilities not assumed by new T. For example, if B retains an asset of old T, the asset is treated under § 1.1502–13(f)(3) as acquired by new T but distributed to B immediately after the reorganization.

(f)(5)(ii)(B)(3) through (f)(5)(ii)(E) [Reserved]. For further guidance, see § 1.1502–13(f)(5)(ii)(B)(3) through (f)(5)(ii)(E).

(F) *Effective/Applicability dates—(1) General rule*. Paragraphs (f)(5)(ii)(B)(1) and (f)(5)(ii)(B)(2) of this section apply to transactions in which old T's liquidation into B occurs on or after October 25, 2007.

(2) *Prior periods*. For transactions in which old T's liquidation into B occurs before October 25, 2007, see § 1.1502–13(f)(5)(ii)(B)(1) and (f)(5)(ii)(B)(2) in effect prior to October 25, 2007 as contained in 26 CFR part 1, revised April 1, 2009.

(3) *Special rule for tax returns filed before November 3, 2009*. In the case of

a liquidation on or after October 25, 2007, by a taxpayer whose original tax return for the year of liquidation was filed on or before November 3, 2009, then, notwithstanding paragraph (f)(5)(ii)(B)(2) of this section and § 1.1502–13(f)(5)(ii)(E), the election to apply paragraph (f)(5)(ii)(B) of this section may be made by entering into the written plan described in paragraph (f)(5)(ii)(B) of this section on or before November 3, 2009, including the statement described in § 1.1502–13(f)(5)(ii)(E) on or with an original tax return or an amended tax return for the tax year that includes the liquidation filed on or before November 3, 2009, and transferring substantially all of T's assets to new T within 12 months of the filing of such original or amended return.

(G) *Expiration date*. These temporary regulations will expire on September 3, 2012.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

Approved: February 24, 2011.

Michael Mundaca,

Assistant Secretary of the Treasury (Tax Policy).

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG–2011–0066]

Drawbridge Operation Regulations; Hackensack River, Jersey City, NJ, Maintenance

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Commander, First Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the Witt Penn Bridge at mile 3.1, across the Hackensack River, at Jersey City, New Jersey. The deviation is necessary to perform bridge maintenance. This deviation allows the bridge owner to require a two-hour advance notice for bridge openings.

DATES: This deviation is effective from April 4, 2011 through May 8, 2011.

ADDRESSES: Documents mentioned in this preamble as being available in the docket are part of docket USCG–2011–0066 and are available online at

<http://www.regulations.gov>, inserting USCG–2011–0066 in the “Keyword” and then clicking “Search”. They are also available for inspection or copying at the Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC, 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or e-mail Mr. Joe Arca, Project Officer, First Coast Guard District, joe.m.arca@uscg.mil telephone (212) 668–7165. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

SUPPLEMENTARY INFORMATION: The Witt Penn Bridge, across the Hackensack River at mile 3.1 has a vertical clearance in the closed position of 35 feet at mean high water and 40 feet at mean low water. The existing drawbridge operation regulations are listed at 33 CFR 117.723.

The waterway has seasonal recreational vessels, and commercial vessels of various sizes.

Most vessels that presently use this waterway can pass under the bridge without a bridge opening.

The owner of the bridge, New Jersey Department of Transportation, requested a temporary deviation to facilitate the replacement of the AC drive motors and subsequent testing.

Under this temporary deviation the Witt Penn Bridge, mile 3.1, across the Hackensack River may require a two-hour advance notice for bridge openings from April 4, 2011 through May 8, 2011. Vessels that can pass under the bridge without a bridge opening may do so at all times.

In accordance with 33 CFR 117.35(e), the bridge must return to its regular operating schedule immediately at the end of the designated time period. This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: February 11, 2011.

Gary Kasso,

Bridge Program Manager, First Coast Guard District.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG–2011–0081]

Drawbridge Operation Regulation; Sacramento River, Sacramento, CA

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Commander, Eleventh Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the Tower Drawbridge across the Sacramento River, mile 59.0, at Sacramento, CA. The deviation is necessary to allow the community to participate in the Annual Cesar Chavez March. This deviation allows the bridge to remain in the closed-to-navigation position during the event.

DATES: This deviation is effective from 10 a.m. to 11:30 a.m. on March 26, 2011.

ADDRESSES: Documents mentioned in this preamble as being available in the docket are part of docket USCG–2011–0081 and are available online by going to <http://www.regulations.gov>, inserting USCG–2011–0081 in the “Keyword” box and then clicking “Search”. They are also available for inspection or copying at the Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or e-mail David H. Sulouff, Chief, Bridge Section, Eleventh Coast Guard District; telephone 510–437–3516, e-mail David.H.Sulouff@uscg.mil. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

SUPPLEMENTARY INFORMATION: The California Department of Transportation has requested a temporary change to the operation of the Tower Drawbridge, mile 59.0, Sacramento River, at Sacramento, CA. The Tower Drawbridge navigation span provides a vertical clearance of 30 feet above Mean High Water in the closed-to-navigation position. The draw opens on signal from May 1 through October 31 from 6 a.m. to 10 p.m. and from November 1 through April 30 from 9 a.m. to 5 p.m. At all other times the draw shall open

on signal if at least four hours notice is given, as required by 33 CFR 117.189(a). Navigation on the waterway is commercial and recreational.

The drawspan will be secured in the closed-to-navigation position from 10 a.m. to 11:30 a.m. on March 26, 2011 to allow the community to participate in the Annual Cesar Chavez March. This temporary deviation has been coordinated with waterway users. There are no scheduled river boat cruises or anticipated levee maintenance during this deviation period. No objections to the proposed temporary deviation were raised.

Vessels that can transit the bridge, while in the closed-to-navigation position, may continue to do so at any time. In the event of an emergency the drawspan can be opened with 15 minutes advance notice.

In accordance with 33 CFR 117.35(e), the drawbridge must return to its regular operating schedule immediately at the end of the designated time period. This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: February 17, 2011.

D.H. Sulouff,

District Bridge Chief, Eleventh Coast Guard District.

[FR Doc. 2011–4853 Filed 3–3–11; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG–2011–0116]

Drawbridge Operation Regulation; Cape Fear River, Wilmington, NC

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 Cape Fear River Memorial Bridge, across the Cape Fear River, mile 26.8, at Wilmington, NC. The deviation restricts the operation of the draw span to facilitate the cleaning and painting of the structure.

DATES: This deviation is effective from 7 a.m. on March 15, 2011 through 11:59 p.m. on July 30, 2011.

ADDRESSES: Documents mentioned in this preamble as being available in the docket are part of the docket USCG–2011–0116 and are available online by going to <http://www.regulations.gov>,