

partnership item and the basis for that adjustment and therefore satisfies the notice requirement of paragraph (a). Because the IRS provided that notice to the TMP, B's agent under the TEFRA partnership provisions, within 18 months of the April 17, 2006 filing date of B's return, any interest, penalty, addition to tax, or additional amount with respect to B's tax liability attributable to B's distributive share of the \$10,000 of unreported partnership income will not be suspended under section 6404(g).

(8) *Providing notice.*—(i) *In general.* The IRS may provide notice by mail or in person to the taxpayer or the taxpayer's representative. If the IRS mails the notice, it must be sent to the taxpayer's last known address under rules similar to section 6212(b), except that certified or registered mail is not required. Notice is considered provided as of the date of mailing or delivery in person.

(ii) *Providing notice in TEFRA partnership proceedings.* In the case of TEFRA partnership proceedings, the IRS must provide notice of final partnership administrative adjustments (FPAA) by mail to those partners specified in section 6223. Within 60 days of an FPAA being mailed, the TMP is required to forward notice of the FPAA to those partners not entitled to direct notice from the IRS under section 6223. Certain partners with small interests in partnerships with more than 100 partners may form a Notice Group and designate a partner to receive the FPAA on their behalf. The IRS may provide other information after the beginning of the partnership administrative proceeding to the TMP who, in turn, must provide that information to the partners specified in § 301.6223(g)–1 within 30 days of receipt. Pass-thru partners who receive notices and other information from the IRS or the TMP must forward that notice or information within 30 days to those holding an interest through the pass-thru partner. Information provided by the IRS to the TMP is deemed to be notice for purposes of this section to those partners specified in § 301.6223(g)–1 as of the date the IRS provides that notice to the TMP. A similar rule applies to notice provided to the designated partner of a Notice Group, and to notice provided to a pass-thru partner. In the foregoing situations, the TMP, designated partner, and pass-thru partner are agents for direct and indirect partners. Consequently, notice to these agents is deemed to be notice to the partners for whom they act.

(b) *Exceptions.*—(1) *Failure to file tax return or to pay tax.* Paragraph (a) of this section does not apply to any penalty imposed by section 6651.

(2) *Fraud.* Paragraph (a) of this section does not apply to any interest, penalty, addition to tax, or additional amount for a year involving a false or fraudulent return. If a taxpayer files a fraudulent return for a particular year, paragraph (a) of this section may apply to any other tax year of the taxpayer that does not involve fraud. Fraud affecting a particular item on a return precludes paragraph (a) of this section from applying to any other items on that return.

(3) *Tax shown on return.* Paragraph (a) of this section does not apply to any interest, penalty, addition to tax, or additional amount with respect to any tax liability shown on a return.

(4) *Gross misstatement.*—(i) *Description.* Paragraph (a) of this section does not apply to any interest, penalty, addition to tax, or additional amount with respect to a gross misstatement. A *gross misstatement* for purposes of this paragraph (b) means:

(A) a substantial omission of income as described in section 6501(e)(1) or section 6229(c)(2);

(B) a gross valuation misstatement within the meaning of section 6662(h)(2)(A) and (B); or

(C) a misstatement to which the penalty under section 6702(a) applies.

(ii) *Effect of gross misstatement.* If a gross misstatement occurs, then paragraph (a) of this section does not apply to any interest, penalty, addition to tax, or additional amount with respect to any items of income omitted from the return and with respect to overstated deductions, even though one or more of the omitted items would not constitute a substantial omission, gross valuation misstatement, or misstatement to which section 6702(a) applies.

* * * * *

(c) *Special rules.*—(1) *Tentative carryback and refund adjustments.* If an amount applied, credited or refunded under section 6411 exceeds the overassessment properly attributable to a tentative carryback or refund adjustment, any interest, penalty, addition to tax, or additional amount with respect to the excess will not be suspended.

(2) *Election under section 183(e).*—(i) *In general.* If a taxpayer elects under section 183(e) to defer the determination of whether the presumption that an activity is engaged in for profit applies, the 18-month (or 36-month) notification period described in paragraph (a)(1) of this section will be tolled for the period to which the election applies. If the 18-month (or 36-month) notification period has passed as of the date the section 183(e) election is made, the suspension

period described in paragraph (a)(4) of this section will be tolled for the period to which the election applies and will resume the day after the tolling period ends. Tolling will begin on the date the election is made and end on the later of the date the return for the last taxable year to which the election applies is filed or is due without regard to extensions.

(ii)

Example. In taxable year 2007, taxpayer begins training and showing horses. On January 4, 2011, the taxpayer elects under section 183(e) to defer the determination of whether the horse-related activity will be presumed (under section 183(d)) to be engaged in for profit. Accordingly, under section 183(e)(1), a determination of whether the section 183(d) presumption applies will not occur before the close of the 2013 taxable year. Assume that in 2014, the IRS is considering issuing a notice of deficiency for taxable year 2009 regarding tax deductions claimed for the horse-related activity. Pursuant to paragraph (c)(2)(i) of this section, the 36-month notification period under paragraph (a)(1) of this section will be tolled with respect to taxable year 2009 for the period to which the section 183(e) election applies. This tolling of the notification period begins on January 4, 2011 (the date the taxpayer made the section 183(e) election) and ends on the later of April 15, 2014, or the date the taxpayer's return for taxable year 2013 is filed.

(d) *Effective/applicability date.* * * * Paragraphs (a), (b)(1) through (b)(4), and (c) are effective on August 22, 2011.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

Approved: July 15, 2011.

Emily S. McMahan,

Acting Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2011–21164 Filed 8–19–11; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG–2011–0744]

RIN 1625–AA08

Special Local Regulation for Marine Events; Mattaponi Madness Drag Boat Race, Mattaponi River, Wakema, VA

AGENCY: Coast Guard, DHS.

ACTION: Temporary Final rule.

SUMMARY: The Coast Guard will establish special local regulations during the Mattaponi Madness Drag

Boat Event, a series of power boat races to be held on the waters of the Mattaponi River, near Wakema, Virginia. These special local regulations are necessary to provide for the safety of life on navigable waters during the events. This action is intended to restrict vessel traffic during the drag boat races on the Mattaponi River immediately adjacent to the Rainbow Acres Campground, located in King and Queen County, near Wakema, Virginia.

DATES: This rule will be effective from 11 a.m. to 6 p.m. on August 27, 2011. In the case of inclement weather, this regulation will be effective from 11 a.m. to 6 p.m. on August 28, 2011.

ADDRESSES: Documents indicated in this preamble as being available in the docket are part of docket USCG-2011-0744 and are available online by going to <http://www.regulations.gov>, inserting USCG-2011-0744 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 temporary rule, call or e-mail LCDR Christopher A. O'Neal, Waterways Management Division Chief, Sector Hampton Roads, Coast Guard; telephone 757-668-5580, e-mail Christopher.A.ONeal@uscg.mil. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Regulatory Information

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because the Coast Guard did not receive the application for this event in sufficient time to allow for publication of an NPRM, and any delay encountered in this regulation's effective date by publishing a NPRM would require

either the cancellation of the event, or require that the event be held without a safety zone. Either course of action would be contrary to public interest since immediate action is needed to provide for the safety of life and property on navigable waters. Additionally, delaying the effective date would be contrary to the public interest since immediate action is needed to ensure the safety of the event participants, patrol vessels, spectator craft and other vessels transiting the event area. The potential dangers posed by drag boat racing, operating in speeds excess of 150 miles per hour, make special local regulations necessary. However, the Coast Guard will provide advance notifications to users of the effected waterways via marine information broadcasts, local notice to mariners, commercial radio stations and area newspapers. In addition, publishing an NPRM is unnecessary because this event is an annual event which mariners should be aware of taking place, as it has been published in the **Federal Register** since 2009. The Coast Guard has never received any comments regarding this event.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Delaying the effective date would be contrary to the public interest since immediate action is needed to ensure the safety of the event participants, patrol vessels, spectator craft and other vessels transiting the event area. The potential dangers posed by drag boat racing, operating in speeds excess of 150 miles per hour, make special local regulations necessary. However, the Coast Guard will provide advance notifications to users of the effected waterways via marine information broadcasts, local notice to mariners, commercial radio stations and area newspapers. In addition, publishing an NPRM is unnecessary because this event is an annual event which mariners should be aware of taking place, as it has been published in the **Federal Register** since 2009. The Coast Guard has never received any comments regarding this event.

Background and Purpose

The Mattaponi Volunteer Rescue Squad will be sponsoring a series of power boat racing events titled the "Mattaponi Madness Drag Boat Event." The power boat races will be held on the following date: August 27, 2011, and in the case of inclement weather, the event will be rescheduled to August 28, 2011. The races will be held on the Mattaponi River immediately adjacent

to the Rainbow Acres Campground in King and Queen County, Virginia. The power boat races will consist of approximately 45 vessels conducting high speed straight line runs along the river and parallel to the shoreline. A fleet of spectator vessels is expected to gather near the event site to view the competition. To provide for the safety of participants, spectators and other transiting vessels, the Coast Guard will temporarily restrict vessel traffic in the event area during the power boat races.

During this enforcement period, vessels may not enter the regulated area unless they receive permission from the Coast Guard Patrol Commander.

Discussion of Rule

The Coast Guard is establishing special local regulations on specified waters of the Mattaponi River, in the vicinity of Wakema, Virginia. The regulated area includes all waters of Mattaponi River immediately adjacent to Rainbow Acres Campground in King and Queen County, Virginia. The regulated area includes a section of the Mattaponi River approximately three-fourths of a mile long and bounded in width by each shoreline, bounded to the east by a line that runs parallel along longitude 076°52'43" W, near the mouth of Mitchell Hill Creek, and bounded to the west by a line that runs parallel along longitude 076°53'41" W just north of Wakema, Virginia. The effect of this regulation would be to restrict general navigation in the regulated area during the drag boat races. This special local regulation will be enforced from 11 a.m. to 6 p.m. on August 27, 2011; and in the case of inclement weather, this special local regulation will be enforced from 11 a.m. to 6 p.m. on August 28, 2011. Except for persons or vessels authorized by the Coast Guard Patrol Commander, no person or vessel may enter or remain in the regulated area. Non-participating vessels will be allowed to transit the regulated area between races, when the Coast Guard Patrol Commander determines it is safe to do so. This regulation is needed to control vessel traffic during the event to enhance the safety of participants, spectators and transiting vessels.

In addition to notice in the **Federal Register**, the maritime community will be provided extensive advance notification via the Local Notice to Mariners, and marine information broadcasts so mariners can adjust their plans accordingly.

Regulatory Analyses

We developed this rule after considering numerous statutes and executive orders related to rulemaking.

Below we summarize our analyses based on 13 of these statutes or executive orders.

Regulatory Planning and Review

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. Although this rule prevents traffic from transiting a portion of certain waterways during specified events, the effect of this regulation will not be significant due to the limited duration that the regulated area will be in effect and the extensive advance notifications that will be made to the maritime community via marine information broadcasts, local radio stations and area newspapers so mariners can adjust their plans.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities.

The rule would affect the following entities, some of which might be small entities: the owners or operators of vessels intending to transit or anchor in this section of Mattaponi River during the event from 11 a.m. to 6 p.m. on August 27 or from 11 a.m. to 6 p.m. on August 28, 2011.

Although this regulation prevents traffic from transiting a portion of Mattaponi River during the event, this rule would not have a significant economic impact on a substantial number of small entities for the following reasons. This rule would be in effect for only a limited period. Vessel traffic will be able to transit the regulated area between heats if the Coast Guard Patrol Commander deems it is safe to do so. Before the enforcement period, the Coast Guard will issue maritime advisories so mariners can adjust their plans accordingly.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity

and that this rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we offer to assist small entities in understanding the rule so that they can better evaluate its effects on them and participate in the rulemaking process.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency’s responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on State or local governments and would either preempt State law or impose a substantial direct cost of compliance on them. We have analyzed this rule under that Order and have determined that it does not have implications for federalism.

Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or Tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

Taking of Private Property

This rule will not affect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

Civil Justice Reform

This rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

Protection of Children

We have analyzed this rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not create an environmental risk to health or risk to safety that may disproportionately affect children.

Indian Tribal Governments

This rule does not have Tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

Energy Effects

We have analyzed this rule under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a “significant energy action” under that order because it is not a “significant regulatory action” under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. The Administrator of the Office of Information and Regulatory Affairs has not designated it as a significant energy action. Therefore, it does not require a Statement of Energy Effects under Executive Order 13211.

Technical Standards

The National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 note) directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through the Office of Management and Budget, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are

technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.ID, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA)(42 U.S.C. 4321-4370f), and have concluded this action is one of a category of actions which do not individually or cumulatively have a significant effect on the human environment. This rule is categorically excluded, under figure 2-1, paragraph (34)(h), of the Instruction. This rule involves implementation of regulations within 33 CFR part 100 that apply to organized marine events on the navigable waters of the United States that may have potential for negative impact on the safety or other interest of waterway users and shore side activities in the event area. The category of water activities includes but is not limited to sail boat regattas, boat parades, power boat racing, swimming events, crew racing, and sail board racing. Under figure 2-1, paragraph (34)(h), of the Instruction, an environmental analysis checklist and a categorical exclusion determination will be available in the docket where indicated under

ADDRESSES.

List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 100 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

■ 1. The authority citation for part 100 continues to read as follows:

Authority: 33 U.S.C. 1233.

Add temporary § 100.35T05-XXXX to read as follows:

§ 100.35T05-XXXX Special Local Regulation; Mattaponi Madness Drag Boat Race, Mattaponi River, Wakema, Virginia

(a) *Regulated Area.* The regulated area includes all waters of Mattaponi River

immediately adjacent to Rainbow Acres Campground in King and Queen County, Virginia. The regulated area includes a section of the Mattaponi River approximately three-fourths of a mile long and bounded in width by each shoreline, bounded to the east by a line that runs parallel along longitude 076°52'43" W, near the mouth of Mitchell Hill Creek, and bounded to the west by a line that runs parallel along longitude 076°53'41" W just north of Wakema, Virginia. All coordinates reference Datum NAD 1983.

(b) *Definitions.* (1) *Coast Guard Patrol Commander* means a commissioned, warrant or petty officer of the Coast Guard who has been designated by the Commander, Coast Guard Sector Hampton Roads.

(2) *Official Patrol* means any vessel assigned or approved by Commander, Coast Guard Sector Hampton Roads with a commissioned, warrant or petty officer on board and displaying a Coast Guard ensign.

(c) *Special Local Regulations.* (1) Except for persons or vessels authorized by the Coast Guard Patrol Commander, no person or vessel may enter or remain in the regulated area.

(2) The operator of any vessel in the regulated area shall:

(i) Stop the vessel immediately when directed to do so by an Official Patrol.

(ii) Proceed as directed by any official patrol.

(d) *Enforcement Period:* This regulation will be enforced from 11 a.m. to 6 p.m. on August 27, 2011. In the case of inclement weather, this regulation will be enforced from 11 a.m. to 6 p.m. on August 28, 2011.

Dated: August 2, 2011.

Mark S. Ogle,

Captain, U.S. Coast Guard, Captain of the Port Hampton Roads.

[FR Doc. 2011-21327 Filed 8-19-11; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2011-0754]

RIN 1625-AA00

Safety Zone; Coast Guard Exercise, Detroit River, Ambassador Bridge to the Western Tip of Belle Isle

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone in

the Captain of the Port Detroit Zone on the Detroit River, from the Ambassador Bridge to the western tip of Belle Isle. This safety zone is intended to restrict vessels from portions of the Detroit River during the Coast Guard Exercise. This safety zone is necessary to protect the public from the hazards associated with this Coast Guard exercise.

DATES: This rule is effective and will be enforced from 8 a.m. to 3 p.m. on August 23, 2011.

ADDRESSES: Documents indicated in this preamble as being available in the docket are part of docket USCG-2011-0754 and are available online by going to <http://www.regulations.gov>, inserting USCG-2011-0754 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 temporary rule, call or e-mail LT Adrian Palomeque, Prevention Department, Sector Detroit, Coast Guard; telephone (313)568-9508, e-mail Adrian.F.Palomeque@uscg.mil. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Regulatory Information

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because doing so would be impracticable and contrary to the public interest. Notice was not received in sufficient time for the Coast Guard to solicit public comments before the start of the event. Thus, waiting for a notice and comment period to run would be impracticable and contrary to the public interest because it would inhibit the Coast Guard's ability to protect the public from the hazards