

1245, any deduction allowed under section 181 is treated as a deduction allowable for amortization.

**§ 1.181-4T [Removed]**

■ **Par. 11.** Section 1.181-4T is removed.

■ **Par. 12.** Section 1.181-5 is added to read as follows:

*§ 1.181-5 Examples.*

The following examples illustrate the application of §§ 1.181-1 through 1.181-4:

*Example 1.* X, a corporation that uses an accrual method of accounting and files Federal income tax returns on a calendar-year basis, is a producer of films. X is the owner (within the meaning of § 1.181-1(a)(2)) of film ABC. X incurs production costs in year 1, but does not commence principal photography for film ABC until year 2. In year 1, X reasonably expects, based on all of the facts and circumstances, that film ABC will be set for production and will be a qualified film or television production. Provided that X satisfies all other requirements of §§ 1.181-1 through 1.181-4 and § 1.181-6, X may deduct in year 1 the production costs for film ABC that X incurred in year 1.

*Example 2.* The facts are the same as in *Example 1*. In year 2, X begins, but does not complete, principal photography for film ABC. Most of the scenes that X films in year 2 are shot outside the United States and, as of December 31, year 2, less than 75 percent of the total compensation paid for film ABC is qualified compensation. Nevertheless, X still reasonably expects, based on all of the facts and circumstances, that film ABC will be a qualified film or television production. Provided that X satisfies all other requirements of §§ 1.181-1 through 1.181-4 and § 1.181-6, X may deduct in year 2 the production costs for film ABC that X incurred in year 2.

*Example 3.* The facts are the same as in *Example 2*. In year 3, X continues, but does not complete, production of film ABC. Due to changes in the expected production costs of film ABC, X no longer expects film ABC to qualify under section 181. X files a statement with its return for year 3 identifying the film and stating that X revokes its election under section 181. X includes in income in year 3 the deductions claimed in year 1 and in year 2 as provided for in § 1.181-4(a)(3). X has successfully revoked its election pursuant to § 1.181-2(d).

**§ 1.181-5T [Removed]**

■ **Par. 13.** Section 1.181-5T is removed.

■ **Par. 14.** Section 1.181-6 is added to read as follows:

**§ 1.181-6 Effective/applicability date.**

(a) *In general.* Sections 1.181-1 through 1.181-5 apply to productions, the first day of principal photography for which occurs on or after September 29, 2011. For an animated production, this paragraph (a) applies by substituting “in-between animation” in place of “principal photography”.

Productions involving both animation and live-action photography may use either standard.

(b) *Application of proposed regulations to pre-effective date productions.* Except as provided in paragraph (c) of this section, an owner may apply 26 CFR 1.181.1T through 1.181-5T (as contained in 26 CFR part 1 revised April 1, 2008) to productions, the first day of principal photography (or in-between animation) for which occurs on or after October 22, 2004, and before February 9, 2007, or on or after January 1, 2009, and before September 29, 2011, provided that the owner applies all provisions of the proposed regulations to the productions.

(c) *Application of §§ 1.181-1 through 1.181-5 to certain pre-effective date productions.* An owner may apply § 1.181-1 through 1.181-5 to productions, the first day of principal photography (or in-between animation) for which occurs on or after February 9, 2007, and before September 29, 2011, provided that the owner applies all provisions of §§ 1.181-1 through 1.181-5 to the productions.

**§ 1.181-6T [Removed]**

■ **Par. 15.** Section 1.181-6T is removed.

**PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT**

■ **Par. 16.** The authority citation for part 602 continues to read as follows:

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

■ **Par. 17.** In § 602.101, paragraph (b) is amended as follows:

1. The following entries to the table are removed:

**§ 602.101 OMB Control numbers.**

CFR part or section where identified and described	Current OMB control No.
1.181-1T and 1.181-2T .....	1545-2059

2. The following entries are added in numerical order to table:

**§ 602.101 OMB Control numbers.**

CFR part or section where identified and described	Current OMB control No.
1.181-1 .....	1545-2059

CFR part or section where identified and described	Current OMB control No.
1.181-2 .....	1545-2059
1.181-3 .....	1545-2059
* * *	* * *

**Steven T. Miller,**

*Deputy Commissioner for Services and Enforcement.*

Approved: September 19, 2011.

**Emily S. McMahon,**

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

[FR Doc. 2011-24930 Filed 9-29-11; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 100**

[Docket No. USCG-2011-0885]

**RIN 1625-AA08**

**Special Local Regulations for Marine Events, Wrightsville Channel; Wrightsville Beach, NC**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing temporary special local regulations for the swim portions of “Beach 2 Battleship Full and Half Iron Distance Triathlon”, to be held on the waters adjacent to Wrightsville Beach, North Carolina. These special local regulations are necessary to provide for the safety of life on navigable waters during the event. This action is intended to restrict vessel traffic on Banks, Motts, and Wrightsville Channels during the swimming portion of this event.

**DATES:** This rule is effective from 7 a.m. until 11 a.m. on October 29, 2011.

**ADDRESSES:** Documents indicated in this preamble as being available in the docket are part of docket USCG-2011-0885 and are available online by going to <http://www.regulations.gov>, inserting USCG-2011-0885 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 BOSN3 Joseph M. Edge, Coast Guard Sector North Carolina, Atlantic Beach, NC; telephone (252) 247-4525, e-mail [Joseph.M.Edge@uscg.mil](mailto:Joseph.M.Edge@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 delaying the rule for the purpose of publishing an NPRM would be contrary to the public interest. Immediate action is needed to minimize potential dangers to the participants by transiting vessels during the event. Approximately three thousand participants are expected to be in the water during the event, which traverses land and sea. It is in the public interest to have these regulations in effect for the protection of participants and mariners, alike. The Coast Guard will issue broadcast notice to mariners to advise vessel operators of navigational restrictions. On scene Coast Guard and local law enforcement vessels will also provide actual notice to any mariners who might be unaware of this widely publicized 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**. The potential dangers posed to participants by transiting vessels make a regulatory action necessary, but the preparations for the event make rescheduling impractical. Delaying the effective date would be contrary to the public interest, since immediate action is needed to ensure the safety of the approximately three thousand event participants in the event area. However, the Coast Guard will provide advance notifications to users of the affected waterways via marine information broadcasts, local notice to mariners, along with sponsor event notifications using commercial radio stations and area newspapers.

##### Background and Purpose

Approximately three thousand persons are expected to participate in the Wilmington YMCA "Beach 2 Battleship Full and Half Iron Distance Triathlon", scheduled for October 29, 2011. Those participants will engage in a three-part race, including run, bike, and swim portions. During the swim portion of the event, two groups of 1600 swimmers will enter the waters of Banks Channel and swim northeast to Seapath Marina. Those swimmers will be in the path of potential mariners wishing to transit the area on October 29, 2011. Therefore, this regulation is intended to restrict vessel traffic in the race areas during the performance of the race. Restricting vessel traffic will ensure the safety of those persons participating in the event as well as those spectators and others transiting the *area*.

##### Discussion of Rule

On October 29, 2011, the Wilmington YMCA will sponsor the "Beach 2 Battleship Full and Half Iron Distance Triathlon" on the waters of Banks, Motts and Wrightsville Channels adjacent to Wrightsville Beach, North Carolina. The swim portion of the event will consist of two groups of 1600 swimmers entering Banks Channel southwest of the Coast Guard Station and swimming northeast along Wrightsville Channel and Motts Channel to Seapath Marina. A fleet of spectator vessels are expected to gather near the event site to view the competition. To provide for the safety of the participants, spectators and other transiting vessels, the Coast Guard will temporarily restrict vessel traffic in the event area during this event.

##### 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, as supplemented by Executive Order 13563, Improving Regulation and Regulatory Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Executive Order 12866 or under section 1 of Executive Order 13563. The Office of Management and Budget has not reviewed it under those Orders.

Although this regulation prevents traffic from transiting a portion of

Banks, Motts, and Wrightsville Channels during the event, the effect of this regulation will not be significant due to the limited duration that the regulated area will be in effect. Extensive advance notification will be made to the maritime community via marine information broadcast, area newspapers, local radio and television stations so mariners can adjust their plans accordingly. Additionally, the regulated area has been narrowly tailored to impose the least impact on general navigation yet provide the level of safety deemed necessary. Vessel traffic will be able to transit the regulated area between races, when the Coast Guard Patrol Commander deems it is safe to do so.

##### 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 will affect the following entities, some of which may be small entities: The owners and operators of vessels intending to transit this section of Banks, Motts and Wrightsville Channel, from 7 a.m. to 11 a.m. on October 29, 2011.

This rule will not have a significant economic impact on substantial number of small entities for the following reasons. Although the regulated area will apply to Banks, Motts and Wrightsville Channels, traffic may be allowed to pass through the regulated area with the permission of the Coast Guard Patrol Commander. In the case where the Patrol Commander authorizes passage through the regulated area, vessels shall proceed at the minimum speed necessary to maintain a safe course that minimizes wake near the swim course. The Patrol Commander will allow non-participating vessels to transit the event area after all swimmers are safely clear of navigation channels and vessel traffic areas. 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 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 effect 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 M16475.1D, 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. The special local regulation is necessary to provide for the safety of the general public and event participants from potential hazards associated with vessels. We seek any comments or information that may lead to the discovery of a significant environmental impact from this rule.

An environmental analysis checklist and a categorical exclusion determination are 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—REGATTAS AND MARINE PARADES

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

**Authority:** 33 U.S.C. 1233.

■ 2. Add a temporary § 100.35–T05–0885 to read as follows:

#### § 100.35T05–0855 Wrightsville Channel, Wrightsville Beach, NC.

(a) *Regulated area.* The regulated area is established for the waters of Banks, Motts and Wrightsville Channels, adjacent to Wrightsville Beach, NC, from the southern tip of Wrightsville Beach approximate position latitude 34°11'15" N, longitude 077°48'51" W,

thence northeast to Seapath Marina, Wrightsville Beach, NC. Approximate position latitude 34°11'45" N, longitude 077°48'27" W. 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 North Carolina.

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

(3) *Participant* includes all swimmers and support vessels participating in the "Beach 2 Battleship Full and Half Iron Distance Triathlon" under the auspices of the marine event permit issued to the event sponsor and approved by Commander, Coast Guard Sector North Carolina.

(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 must: (i) Stop the vessel immediately when directed to do so by any Official Patrol and then proceed only as directed.

(ii) All persons and vessels shall comply with the instructions of the Official Patrol.

(iii) When authorized to transit the regulated area, all vessels shall proceed at the minimum speed necessary to maintain a safe course that minimizes wake near the swim course.

(d) *Enforcement Period.* This section will be enforced from 7 a.m. to 11 a.m. on October 29, 2011.

Dated: September 13, 2011.

**A. Popiel,**

*Captain, U.S. Coast Guard, Captain of the Port North Carolina.*

[FR Doc. 2011-25184 Filed 9-29-11; 8:45 am]

BILLING CODE 9110-04-P

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 117**

[Docket No. USCG-2011-0888]

**Drawbridge Operation Regulation; Chickasaw Creek, AL**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of temporary deviation from regulations.

**SUMMARY:** The Commander, Eighth Coast Guard District, issued a temporary deviation from the regulation governing the operation of the CSX Railroad Swing Span Bridge across Chickasaw Creek, mile 0.0, at Mobile, Alabama. The deviation is necessary to repair structural members of the bridge. This deviation allows the bridge to remain closed for ten consecutive hours for repairs to structural members of the bridge.

**DATES:** This deviation is effective from 7 a.m. until 5 p.m. on Sunday, October 30, 2011.

**ADDRESSES:** Documents mentioned in this preamble as being available in the docket are part of docket USCG-2011-0888 and are available online by going to <http://www.regulations.gov>, inserting USCG-2011-0888 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 Frank, Bridge Administration Branch; telephone 504-671-2128, e-mail [David.m.frank@uscg.mil](mailto:David.m.frank@uscg.mil). If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

**SUPPLEMENTARY INFORMATION:** CSX Transportation requested a temporary deviation from the operating schedule for the Swing Span Bridge across Chickasaw Creek, mile 0.0, in Mobile, Alabama. The bridge has a vertical clearance of 6 feet above mean high water in the closed-to-navigation position and unlimited in the open-to-navigation position.

In accordance with 33 CFR 117.5, the bridge currently opens on signal for the passage of vessels. This deviation allows the bridge to remain closed to navigation from 7 a.m. until 5 p.m. on Sunday, October 30, 2011. At all other times, the bridge will open on signal for the passage of vessels.

The closure is necessary in order to effect repairs to structural members of the bridge. This maintenance is essential for the continued operation of the bridge. Notices will be published in the Eighth Coast Guard District Local Notice to Mariners and will be broadcast via the Coast Guard Broadcast Notice to Mariners System.

Navigation on the waterway consists mainly of tugs with tows and ships. Coordination between the Coast Guard and the waterway users determined that there should not be any significant effects on these vessels. There are no alternate routes available to vessel traffic. The bridge will not be able to open for emergencies.

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: September 19, 2011.

**David M. Frank,**

*Bridge Administrator.*

[FR Doc. 2011-25181 Filed 9-29-11; 8:45 am]

BILLING CODE 9110-04-P

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 117**

[Docket No. USCG-2011-0625]

**Drawbridge Operation Regulations; Navesink (Swimming) River, NJ**

**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 Oceanic Bridge at mile 4.5 across the Navesink (Swimming) River between Oceanic and Locust Point, New Jersey. The deviation is necessary to facilitate bridge rehabilitation. This deviation allows the bridge to open only one of the two moveable spans for the passage of vessel traffic.

**DATES:** This deviation is effective from October 31, 2011 through April 27, 2012.

**ADDRESSES:** Documents mentioned in this preamble as being available in the docket are part of docket USCG-2011-0625 and are available online at <http://www.regulations.gov>, inserting USCG-2011-0625 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.