

North Bend, OR, Southwest Oregon Rgnl, RNAV (GPS) Y RWY 4, Orig-A
 North Bend, OR, Southwest Oregon Rgnl, VOR-A, Amdt 5A
 North Bend, OR, Southwest Oregon Rgnl, VOR/DME-B, Amdt 4A
 Scappoose, OR, Scappoose Industrial Airpark, LOC/DME RWY 15, Amdt 2
 Bay City, TX, Bay City Muni, Takeoff Minimums and Obstacle DP, Orig
 Denton, TX, Denton Muni, ILS OR LOC RWY 18, Amdt 9
 Devine, TX, Devine Muni, Takeoff Minimums and Obstacle DP, Amdt 1
 Kenedy, TX, Karnes County, RNAV (GPS) RWY 16, Orig
 Kenedy, TX, Karnes County, RNAV (GPS) RWY 34, Orig
 Kenedy, TX, Karnes County, VOR/DME-A, Amdt 7
 Paducah, TX, Dan E. Richards Muni, Takeoff Minimums and Obstacle DP, Orig
 Williamsburg, VA, Williamsburg-Jamestown, Takeoff Minimums and Obstacle DP, Amdt 2
 Walla Walla, WA, Walla Walla Rgnl, NDB RWY 20, Amdt 6
 Milwaukee, WI, General Mitchell Intl, ILS OR LOC RWY 19R, Amdt 12
 Phillips, WI, Price County, Takeoff Minimums and Obstacle DP, Amdt 1
 Fairmont, WV, Fairmont Muni-Frankman Field, VOR/DME-A, Amdt 1
 [FR Doc. 2011-27371 Filed 10-25-11; 8:45 am]
BILLING CODE 4910-13-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 774

The Commerce Control List

CFR Correction

In Title 15 of the Code of Federal Regulations, Parts 300-799, revised as of January 1, 2011, in Supplement No. 1 to Part 774, in ECCN 2B008, the “Items” paragraph on page 719 is revised to read as follows:

Supplement No. 1 to PART 774—THE COMMERCE CONTROL LIST

* * * * *

2B008 Assemblies or Units, Specially Designed for Machine Tools, or Dimensional Inspection or Measuring Systems and Equipment, as Follows (See List of Items Controlled).

* * * * *

Items:

a. Linear position feedback units (e.g., inductive type devices, graduated scales, infrared systems or “laser” systems) having an overall “accuracy” less (better) than $(800 + (600 \times L \times 10^{-3}))$ nm (L equals the effective length in mm);

N.B.: For “laser” systems see also 2B006.b.1.c and d.

b. Rotary position feedback units (e.g., inductive type devices, graduated scales, infrared systems or “laser” systems) having an “accuracy” less (better) than 0.00025°;

N.B.: For “laser” systems see also 2B006.b.2.

c. “Compound rotary tables” and “tilting spindles”, capable of upgrading, according to the manufacturer’s specifications, machine tools to or above the levels controlled by 2B001 to 2B009.

* * * * *

[FR Doc. 2011-27753 Filed 10-25-11; 8:45 am]

BILLING CODE 1505-01-D

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 774

The Commerce Control List

CFR Correction

In Title 15 of the Code of Federal Regulations, Parts 300-799, revised as of January 1, 2011, on page 684, in Supplement No. 1 to Part 774, in ECCN 1C118, the “Items” paragraph is revised to read as follows:

Supplement No. 1 to PART 774—THE COMMERCE CONTROL LIST

* * * * *

1C118 Titanium-stabilized duplex stainless steel (Ti-DSS), having all of the following characteristics (see List of Items Controlled).

* * * * *

Items:

a. Having all of the following characteristics:

a.1. Containing 17.0-23.0 weight percent chromium and 4.5-7.0 weight percent nickel;

a.2. Having a titanium content of greater than 0.10 weight percent; and
 a.3. A ferritic-austenitic microstructure (also referred to as a two-phase microstructure) of which at least 10 percent is austenite by volume (according to ASTM E-1181-87 or national equivalents), and

b. Having any of the following forms:

b.1. Ingots or bars having a size of 100 mm or more in each dimension;

b.2. Sheets having a width of 600 mm or more and a thickness of 3 mm or less; or

b.3. Tubes having an outer diameter of 600 mm or more and a wall thickness of 3 mm or less.

* * * * *

[FR Doc. 2011-27751 Filed 10-25-11; 8:45 am]

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9553]

RIN 1545-BH90

Disregarded Entities; Excise Taxes and Employment Taxes

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations relating to disregarded entities and excise taxes. These regulations also make conforming changes to the tax liability rule for disregarded entities and the treatment of entity rule for disregarded entities with respect to employment taxes. These regulations affect disregarded entities in general and, in particular, disregarded entities that pay or pay over certain federal excise taxes or that are required to be registered by the IRS.

DATES: *Effective Date:* These regulations are effective on October 26, 2011.

Applicability Date: For dates of applicability, see §§ 301.7701-2(e)(2), 301.7701-2(e)(5), and 301.7701-2(e)(6).

FOR FURTHER INFORMATION CONTACT: Michael H. Beker, (202) 622-3070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to the Procedure and Administration Regulations (26 CFR part 301) under section 7701 of the Internal Revenue Code (Code).

Temporary regulations (TD 9462, 74 FR 46903) and a cross-reference notice of proposed rulemaking (REG-116614-08, 74 FR 46957) were published in the **Federal Register** on September 14, 2009 (the 2009 proposed regulations). On October 14, 2009, corrections to the temporary regulations (74 FR 52677) and to the cross-reference notice of proposed rulemaking (74 FR 52708) were published in the **Federal Register**.

The 2009 proposed regulations clarify that a single-owner eligible entity that is disregarded as an entity separate from its owner for any purpose under § 301.7701-2, but regarded as an entity for certain excise tax purposes under § 301.7701-2(c)(2)(v), is treated as a corporation with respect to those excise taxes. In addition, the 2009 proposed regulations make conforming changes to the tax liability rule for disregarded entities in § 301.7701-2(c)(2)(iii) and the

treatment of entity rule for disregarded entities with respect to employment taxes in § 301.7701-2(c)(2)(iv)(B).

No public hearing was requested or held. One written comment was received. After consideration of the comment, the proposed regulations are adopted by this Treasury decision and the temporary regulations are removed.

Summary of the Comment and Explanation of Provisions

A. Air Transportation Excise Tax

The commenter asked whether an amount paid to a single-member limited liability company (SMLLC) by its owner for air transportation provided to its owner will be deemed to be paid to a separate corporation and therefore subject to federal transportation excise taxes under section 4261.

On August 16, 2007, final regulations under § 301.7701-2(c)(2)(v)(A) were published in the **Federal Register** (TD 9356, 72 FR 45891) (the 2007 final regulations). The 2007 final regulations provide that a single-owner eligible entity that is disregarded as an entity separate from its owner for Federal tax purposes is treated as a separate entity for certain excise tax purposes, including Federal tax liabilities imposed by Chapter 33 of the Code. Under this rule, amounts paid after December 31, 2007, to an SMLLC by its owner for air transportation are subject to the tax imposed by section 4261. The commenter suggested that the rule in the 2007 final regulations created a tax liability where one did not exist before.

Prior to the adoption of the § 301.7701-2 regulations in 1997, amounts paid from one state law entity to another for air transportation were potentially subject to the section 4261 tax, regardless of the relationship between the entities. See for example, Rev. Ruls. 76-394 (1976-2 CB 355) and 70-325 (1970-1 CB 231), which involve transportation between related corporations and between corporations and their shareholders. Because there are separate and distinct entities in each case, these rulings hold that payments made from one entity to another for taxable air transportation are “amounts paid” for purposes of the section 4261 tax. While section 4282 provides a limited exception in the case of air transportation excise taxes for certain affiliated groups that do not offer air transportation services to non-affiliated members, no exception had been provided prior to 1997 for other situations.

The adoption of the § 301.7701-2 regulations in 1997 departed from this long-standing precedent by making

those previously taxable transactions no longer subject to excise tax when the owner of an eligible entity elected to be a disregarded entity. The 2007 regulations merely restored the long-standing and reasonable pre-1997 rule. Accordingly, the final regulations retain the rule that excise taxes imposed on amounts paid for covered services (such as air transportation) apply to amounts paid between state law entities for such services (unless a statutory exception applies).

B. Indoor Tanning Services Excise Tax

After the 2009 proposed regulations were published, section 10907 of the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)) added new Chapter 49 to the Code, which contains an excise tax on amounts paid for indoor tanning services under new section 5000B. The IRS and Treasury Department are aware of issues relating to the treatment of qualified subchapter S subsidiaries and single-owner eligible entities that are disregarded as entities separate from their owners with respect to tax liabilities imposed by Chapter 49 of the Code. The issues are similar to those addressed in § 301.7701-2(c)(2)(v). Accordingly, the IRS and the Treasury Department plan to issue regulations addressing the treatment of those entities with respect to tax liabilities imposed by Chapter 49 of the Code.

C. Firearms Excise Tax and Harbor Maintenance Tax

The rules in the final regulations do not apply to the firearms excise tax administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the harbor maintenance tax administered by U.S. Customs and Border Protection (Customs). Rules in 26 CFR part 301 generally do not apply for purposes of these taxes and taxpayers should not assume that a single owner entity will be disregarded under applicable TTB or Customs rules.

Availability of IRS Documents

The IRS revenue rulings cited in this preamble are published in the Internal Revenue Cumulative Bulletin and are available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954.

Special Analyses

It has been determined that this Treasury decision 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) of the Code, the proposed regulations preceding these regulations were submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Michael H. Beker, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 301 is amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

■ **Paragraph 1.** The authority citation for part 301 continues to read in part as follows:

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

■ **Par. 2.** Section 301.7701-2 is amended by:

■ 1. Revising paragraphs (c)(2)(iii), (c)(2)(iv)(B), (c)(2)(v)(B), (c)(2)(v)(C) *Example* (iv), (e)(2), and (e)(6).

■ 2. Adding two sentences at the end of paragraph (e)(5).

The additions and revisions read as follows:

§ 301.7701-2 Business entities; definitions.

* * * * *

(c) * * *

(2) * * *

(iii) *Tax liabilities of certain disregarded entities—(A) In general.* An entity that is disregarded as separate from its owner for any purpose under this section is treated as an entity separate from its owner for purposes of—

(1) Federal tax liabilities of the entity with respect to any taxable period for which the entity was not disregarded;

(2) Federal tax liabilities of any other entity for which the entity is liable; and

(3) Refunds or credits of Federal tax.

(B) *Examples.* The following examples illustrate the application of paragraph (c)(2)(iii)(A) of this section:

Example 1. In 2006, X, a domestic corporation that reports its taxes on a calendar year basis, merges into Z, a domestic LLC wholly owned by Y that is disregarded as an entity separate from Y, in a state law merger. X was not a member of a consolidated group at any time during its taxable year ending in December 2005. Under the applicable state law, Z is the successor to X and is liable for all of X's debts. In 2009, the Internal Revenue Service (IRS) seeks to extend the period of limitations on assessment for X's 2005 taxable year. Because Z is the successor to X and is liable for X's 2005 taxes that remain unpaid, Z is the proper party to sign the consent to extend the period of limitations.

Example 2. The facts are the same as in *Example 1*, except that in 2007, the IRS determines that X miscalculated and underreported its income tax liability for 2005. Because Z is the successor to X and is liable for X's 2005 taxes that remain unpaid, the deficiency may be assessed against Z and, in the event that Z fails to pay the liability after notice and demand, a general tax lien will arise against all of Z's property and rights to property.

(iv) * * *

(B) *Treatment of entity.* An entity that is disregarded as an entity separate from its owner for any purpose under this section is treated as a corporation with respect to taxes imposed under Subtitle C—Employment Taxes and Collection of Income Tax (Chapters 21, 22, 23, 23A, 24, and 25 of the Internal Revenue Code).

* * * * *

(v) * * *

(B) *Treatment of entity.* An entity that is disregarded as an entity separate from its owner for any purpose under this section is treated as a corporation with respect to items described in paragraph (c)(2)(v)(A) of this section.

(C) * * *

Example. * * *

(iv) Assume the same facts as in paragraph (c)(2)(v)(C) *Example* (i) and (ii) of this section. If LLCB does not pay the tax on its sale of coal under chapter 32 of the Internal Revenue Code, any notice of lien the Internal Revenue Service files will be filed as if LLCB were a corporation.

* * * * *

(e) * * *

(2) Paragraph (c)(2)(iii) of this section applies on and after September 14, 2009. For rules that apply before September 14, 2009, see 26 CFR part 301, revised as of April 1, 2009.

* * * * *

(5) * * * However, paragraph (c)(2)(iv)(B) of this section applies with respect to wages paid on or after

September 14, 2009. For rules that apply before September 14, 2009, see 26 CFR part 301 revised as of April 1, 2009.

(6)(i) Except as provided in this paragraph (e)(6), paragraph (c)(2)(v) of this section applies to liabilities imposed and actions first required or permitted in periods beginning on or after January 1, 2008.

(ii) Paragraphs (c)(2)(v)(B) and (c)(2)(v)(C) *Example* (iv) of this section apply on and after September 14, 2009.

* * * * *

§ 301.7701–2T [Removed]

■ **Par. 3.** Section 301.7701–2T is removed.

Steven T. Miller,
Deputy Commissioner for Services and Enforcement.

Approved: October 18, 2011.

Emily S. McMahon,
Acting, Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2011–27720 Filed 10–25–11; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG–2011–0960]

Drawbridge Operation Regulations; Trent River, New Bern, 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 regulations governing the operation of the US 70 (Alfred Cunningham) Bridge, at mile 0.0, over the Trent River, at New Bern, NC. The deviation restricts the operation of the draw span to facilitate the general maintenance of the Bridge.

DATES: This deviation is effective from 8 p.m. October 26, 2011 through 11:59 p.m. on October 27, 2011.

ADDRESSES: Documents mentioned in this preamble as being available in the docket are part of docket USCG–2011–0960 and are available online by going to <http://www.regulations.gov>, inserting USCG–2011–0960 in the “Keywords” box, and then clicking “Search”. This material is 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. Bill H. Brazier, Bridge Management Specialist, Fifth Coast Guard District, telephone (757) 398–6422, e-mail Bill.H.Brazier@uscg.mil. If you have questions on reviewing the docket, call Renee V. Wright, Program Manager, Docket Operations, (202) 366–9826.

SUPPLEMENTARY INFORMATION: The North Carolina Department of Transportation (NCDOT), who owns and operates this bascule lift bridge, has requested a temporary deviation from the current operating regulations set out in 33 CFR 117.843(a), to facilitate the general maintenance of the bridge.

In the closed position to vessels, the US 70 (Alfred Cunningham) Bridge, at mile 0.0, at New Bern, NC has a vertical clearance of 14 feet, above mean high water.

Under this temporary deviation, the drawbridge will be closed to vessels requiring an opening each day from 8 p.m. until 11:59 p.m. on October 26, 2011 and October 27, 2011. There are no alternate routes for vessels transiting this section of the Trent River.

The Coast Guard reviewed the 2010 drawbridge logs provided by NCDOT. In the month of October 2010, between the hours of 8 p.m. and 11:59 p.m., there were approximately four recorded vessel openings of the drawbridge. The drawbridge will be able to open for emergencies. Most vessel traffic utilizing this bridge consists of recreational boaters. October is outside of the high recreational boating season therefore, only a small number of boaters may be affected by this temporary closure. There are no alternate routes on this section of Trent River. Vessels that can pass through the bridge in the closed position may do so at any time.

The Coast Guard will inform all users of the waterway through our Local and Broadcast Notice to Mariners of the closure periods for the bridge so that vessels can arrange their transits to minimize any impacts caused by the temporary deviation.

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