

owned entirely by public shareholders. No other changes in the ownership of L's stock occur prior to December 31, 2010.

(ii) *Analysis.* The July redemption is a small redemption because the number of shares redeemed (60) does not exceed 106, the small redemption limitation (10 percent of the number of common shares outstanding on January 1, 2010). Under paragraph (j)(14) of this section, the segregation rules of § 1.382-2T(j)(2)(iii)(C) do not apply to the July redemption. Under paragraph (j)(14)(iv) of this section, Public L is treated as having all 60 shares redeemed.

(iii) The December redemption is a small redemption because the number of shares redeemed (90) does not exceed 106, the small redemption limitation (10 percent of the number of common shares outstanding on January 1, 2010). However, under paragraph (j)(14)(i) of this section, only 46 of the 90 shares redeemed are exempted from the segregation rules of § 1.382-2T(j)(2)(iii)(C) because the total number of shares of common stock redeemed in the July and December redemptions exceeds 106, the small redemption limitation, by 44. Accordingly, under paragraph (j)(14)(iv) of this section, Public L is treated as having 46 shares redeemed in the December redemption. Section 1.382-2T(j)(2)(iii)(C) applies to the remaining 44 shares redeemed. Accordingly, Public L is segregated into two different public groups immediately before the transaction (and thereafter) so that the redeemed interests (Public RL) are treated as part of a public group that is separate from the ownership interests that are not redeemed (Public CL). Therefore, as a result of the December redemption, Public CL's interest in L increases by 4.4 percentage points (from 95.6 percent (956/1,000) to 100 percent (910/910)) on the December 31, 2010 testing date. For purposes of determining whether an ownership change occurs on any subsequent testing date having a testing period that includes such redemption, Public CL is treated as a 5-percent shareholder whose percentage ownership interests in L increased by 4.4 percentage points as a result of the redemption.

Example 8. Segregation rules inapplicable—proportionate amount. (i) *Facts.* P₁ is a corporation that owns 8 percent of the stock of L. The remaining L stock (92 percent) is owned by Public L. P₁ is entirely owned by Public P₁. Excluding cash and cash items within the meaning of section 382(h)(3)(B)(ii), P₁'s investment in L represents 11 percent of P₁'s gross assets. P₂ is a corporation owned 90 percent by individual A and 10 percent by a public group (Public P₂). On May 22, 2013, P₁ merges into P₂ with the shareholders of P₁ receiving an amount of P₂ stock equal to 25 percent of the value of P₂ immediately after the reorganization. Following the merger, P₂'s investment in L represents 6 percent of the combined gross assets of P₁ and P₂ (excluding cash and cash items). L was owned 92 percent by Public L and 8 percent by P₁ throughout the testing period ending on the date of the merger.

(ii) *Analysis.* Assuming L can establish that P₂ owns 10 percent or less (by value) of L on May 22, 2013 pursuant to the operating rules

of paragraph (j)(15)(iv) of this section, the segregation rules of § 1.382-2T(j)(3)(iii) will not apply to segregate P₁'s direct public group (Public P₁) immediately before the merger from P₂'s direct public group (Public P₂). Thus, following the merger, P₂ is owned 67.5 percent (90% × 75%) by A and 32.5 percent (25% + (10% × 75%)) by Public P₂. Pursuant to paragraph (j)(15)(ii)(B) of this section, Public P₂'s lowest percentage of ownership is the sum of its lowest percentage of ownership (zero) and a proportionate amount of former Public P₁'s lowest ownership percentage of L of 2.6 percent (32.5% × 8%). P₂ will be treated as having one public group whose ownership interest in L was 2.6 percent before the merger and remains 2.6 percent after the merger. Because Public P₂ owns less than 5 percent of L, Public P₂ is treated as part of Public L. See § 1.382-2T(j)(1)(iv). Thus, pursuant to paragraph (j)(15)(ii)(B) of this section, Public L's lowest ownership percentage of L during the testing period is 94.6 percent.

Example 9. Segregation rules inapplicable—prior increase in ownership by former public group during testing period. (i) *Facts.* The facts are the same as *Example 8*, except that P₁ acquired its 8 percent interest in L during the testing period that includes the merger.

(ii) *Analysis.* Pursuant to the rules of paragraph (j)(15)(ii)(A) of this section, the amount of increase in the percentage of stock ownership by Public P₂ is the sum of its increase and any increase by a former public group (Public P₁). Accordingly, Public P₂, the continuing public group, is treated as having increased its ownership interest by 2.6 percent, and Public L is treated as increasing its ownership interest by 2.6 percent.

Example 10. Ownership limitation based upon fair market value. (i) *Facts.* L has two classes of stock outstanding, common stock and preferred stock. The preferred stock is stock within the meaning of § 1.382-2(a)(3). A direct public group (Public L) owns all of the common stock of L. P purchased 100 percent of the preferred stock of L at a time when the preferred stock represented 9 percent of the value of all the outstanding stock of L. The common stock owned by Public L represents the remaining 91 percent of the value of the stock of L. P has one class of common stock outstanding, all of which is owned by a direct public group (Public P). On October 7, 2013, P redeems 30 percent of its single outstanding class of common stock. Due to a decline in the relative value of the common stock of L, the preferred stock of L represents 40 percent of the value of all the outstanding stock of L on the date of the redemption.

(ii) *Analysis.* The rules of paragraph (j)(15) of this section do not apply to the redemption because P owns more than 10 percent of L (by value) on that date.

Example 11. Ownership limitation—fair market value includes preferred stock. The facts are the same as in *Example 10*, except that the preferred stock is not stock within the meaning of § 1.382-2(a)(3). The results are the same as in *Example 10*.

Example 12. Ownership limitation—application of attribution rules. (i) *Facts.* Individual A owns all the outstanding stock

of X. A also owns preferred stock in Y that is not stock within the meaning of § 1.382-2(a)(3), which represents 50 percent of the value of Y. All the Y common stock is owned by public owners. Each of X and Y own 6 percent of the single class of L stock outstanding. On October 6, 2013, Y redeems 15 percent of its common stock.

(ii) *Analysis.* In determining the ownership limitation of this paragraph, the attribution rules of section 318(a) apply. Pursuant to section 318(a)(2), A is treated as owning the L stock owned by X. Pursuant to section 318(a)(3), Y is treated as owning the L stock that A indirectly owns. Because Y's ownership of L exceeds the ownership limitation, the rules of paragraph (j)(15) of this section do not apply.

(17) *Effective/applicability date.* This paragraph (j) generally applies to issuances or deemed issuances of stock in taxable years beginning on or after November 4, 1992. However, paragraphs (j)(13) through (j)(15) and Examples 5 through 12 of paragraph (j)(16) apply to testing dates occurring on or after the date these regulations are published as final regulations in the **Federal Register**. See § 1.382-3(j)(14)(ii) and (iii), as contained in 26 CFR part 1 revised as of April 1, 1994, for the application of paragraph (j)(10) to stock issued on the exercise of certain options exercised on or after November 4, 1992 and for an election to apply paragraphs (j)(1) through (12) retroactively to certain issuances and deemed issuances of stock occurring in taxable years prior to November 4, 1992.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2011-30290 Filed 11-22-11; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[REG-146537-06]

RIN 1545-BG08

Income of Foreign Governments and International Organizations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed regulations.

SUMMARY: This document contains corrections to a notice of proposed regulations that were published in the **Federal Register** on Thursday, November 3, 2011. These regulations provide guidance relating to the taxation of the income of foreign governments

from investments in the United States. The regulations affect foreign governments that derive income from sources within the United States.

FOR FURTHER INFORMATION CONTACT: David A. Juster, (202) 622-3850 (not toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-146537-06) that is the subject of this correction is under sections 892 and 602 of the Internal Revenue Code.

Need for Correction

As published on November 3, 2011 (76 FR 68119), the notice of proposed rulemaking (REG-146537-06) contains errors that may prove to be misleading and are in need of clarification.

Correction for Publication

Accordingly, the notice of proposed rulemaking (REG-146537-06) that was the subject of FR Doc. 2011-28531 is corrected as follows:

1. On page 68119, column 2, in the preamble under the paragraph heading "Paperwork Reduction Act", line 17 from the top of the column, the language "the collection of information should be" is corrected to read "the collections of information should be".

2. On page 68119, column 2, in the preamble under the paragraph heading "Paperwork Reduction Act", the first full paragraph in the column, lines 1 and 2, the language "Whether the proposed collection of information is necessary for the proper" is corrected to read "Whether the proposed collections of information are necessary for the proper".

3. On page 68119, column 2, in the preamble under the paragraph heading "Paperwork Reduction Act", second paragraph in the column, line 2, the language "associate with the proposed collection" is corrected to read "associate with the proposed collections".

4. On page 68119, column 2, in the preamble under the paragraph heading "Paperwork Reduction Act", sixth paragraph in the column, lines 1 and 2, the language "The collection of information in this proposed regulation is in §§ 1.892-" is corrected to read "The collections of information in this proposed regulations are in §§ 1.892-".

5. On page 68119, column 2, in the preamble under the paragraph heading "Paperwork Reduction Act", sixth paragraph in the column, lines 6 and 7, the language "tax under section 892. The collection of information is voluntary to obtain a" is corrected to read "tax under section 892. The

collections of information are voluntary to obtain a".

6. On page 68119, column 3, in the preamble under the paragraph heading "Background", fifth line from the bottom of the paragraph, the language "referenced notice of proposed" is corrected to read "reference notice of proposed".

7. On page 68121, column 1, in the preamble under the paragraph heading "Definition of Commercial Activity", third line from the bottom of the last paragraph, the language "proposed regulations revised § 1.892-" is corrected to read "proposed regulations revise § 1.892-".

8. On page 68122, column 1, Paragraph 1. The authority citation, line 2, the language "for parts 1 and 601 continues to read in" is corrected to read "for part 1 continues to read in".

§ 1.892-5 [Corrected]

9. On page 68122, column 3, § 1.892-5(a)(1), line 2, the paragraph heading (a)(1) the language "definition of term "controlled" is corrected to read "definition of the term "controlled".

10. On page 68123, column 3, § 1.892-5(d)(5)(i), line 3, the language "(d)(5)(ii) or (d)(5)(iii) of this section, the" is corrected to read "(d)(5)(ii) or paragraph (d)(5)(iii) of this section, the".

Diane O. Williams,

Federal Register Liaison, Publications and Regulations Branch, Legal Processing Division.

[FR Doc. 2011-30171 Filed 11-22-11; 8:45 am]

BILLING CODE 4830-01-P

NATIONAL LABOR RELATIONS BOARD

29 CFR Parts 101, 102, 103

RIN 3142-AA08

Representation Case Procedures

AGENCY: National Labor Relations Board.

ACTION: Proposed rule; notice of meeting.

SUMMARY: The National Labor Relations Board (NLRB or Board) invites interested parties to attend an open meeting of the Board on November 30, 2011, at 2:30 p.m. The meeting will be held in the Board Agenda Room (Room 11820), National Labor Relations Board, 1099 14th Street NW., Washington, DC 20570. The purpose of the meeting will be to vote on how to proceed in this rulemaking proceeding. No public testimony or comments will be received.

DATES: The meeting will be held on Wednesday, November 30, 2011,

beginning at 2:30 p.m. Due to time and seating considerations, persons desiring to attend the meeting must notify the NLRB staff, no later than 4 p.m. on Monday, November 28, 2011.

ADDRESSES: The public meeting will be held in the Board Agenda Room (Room 11820), National Labor Relations Board, 1099 14th Street NW., Washington, DC 20570. Requests to attend the meeting must be addressed to Mary Meyers, Administrative Assistant to the Chairman, National Labor Relations Board, 1099 14th Street, NW., Suite 11100, Washington, DC 20570. Requests may also be made electronically to publicmeeting@nlrb.gov. All communications must include the following words on the Subject Line—"REQUEST TO ATTEND PUBLIC MEETING REGARDING RIN 3142-AA08."

FOR FURTHER INFORMATION CONTACT: Mary Meyers, Administrative Assistant to the Chairman, National Labor Relations Board, 1099 14th Street NW., Suite 11100, Washington, DC 20570; *Phone:* (202) 273-1700; *Email:* publicmeeting@nlrb.gov.

SUPPLEMENTARY INFORMATION: The National Labor Relations Board will hold an open public meeting on Wednesday, November 30, 2011, at 2:30 p.m. The purpose of the meeting will be to vote on how to proceed in this rulemaking proceeding. No public testimony or comments will be received.

On June 22, 2011, the NLRB published a Notice of Proposed Rulemaking (NPRM) (76 FR 36812), proposing to amend its rules and regulations governing the filing and processing of petitions relating to the representation of employees for purposes of collective bargaining with their employer. In addition to the comment procedure outlined in the NPRM, the NLRB provided another opportunity for interested persons to provide their views to the Board on this important matter at an open public meeting. This public meeting was held on July 18-19, 2011, with 66 witnesses testifying before the Board. Thereafter, the deadline for filing initial public comments was August 22, 2011, and the deadline for filing reply comments was September 6, 2011. Over 65,000 written comments have been received and analyzed. The Board must now decide how to proceed in this matter.

Persons desiring to attend the meeting must notify the NLRB staff, in writing, at the above listed physical or email address, by the deadline posted. Attendees are reminded to bring a photo identification card with them to the public meeting in order to gain