

in State X because A does not have the intention of making a home in State X while on vacation. This is true regardless of the length of the vacation.

Example 4. A, an alien, travels to the United States to work for three years in State X. A rents a home in State X, moves his personal possessions into the home, and his family resides with him in the home. A intends to reside in State X during the 3-year period of his employment. A is a resident of State X.

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■ 3. Section 478.124 is amended as follows:

■ a. By removing and reserving paragraph (c)(3)(ii).

■ b. In paragraph (d), by removing the proviso after the colon and by removing the colon and adding in its place a period.

■ c. In paragraph (e), by removing the words “, except for the provisions of paragraph (c)(3)(ii)” at the end of the paragraph.

■ d. In paragraph (f), by removing the words “, and in the case of a transferee who is an alien legally in the United States, the transferee has resided in that State continuously for at least 90 days

prior to the transfer of the firearm” in the third sentence.

■ 4. Section 478.125(f) is revised to read as follows:

§ 478.125 Record of receipt and disposition.

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(f) *Firearms receipt and disposition by licensed collectors.* (1) Each licensed collector shall enter into a record each receipt and disposition of firearms curios or relics. The record required by this paragraph shall be maintained in bound form under the format prescribed below. The purchase or other acquisition of a curio or relic shall, except as provided in paragraph (g) of this section, be recorded not later than the close of the next business day following the date of such purchase or other acquisition. The record shall show the date of receipt, the name and address or the name and license number of the person from whom received, the name of the manufacturer and importer (if any), the model, serial number, type, and the caliber or gauge of the firearm curio or relic. The sale or other

disposition of a curio or relic shall be recorded by the licensed collector not later than 7 days following the date of such transaction. When such disposition is made to a licensee, the commercial record of the transaction shall be retained, until the transaction is recorded, separate from other commercial documents maintained by the licensee, and be readily available for inspection. The record shall show the date of the sale or other disposition of each firearm curio or relic, the name and address of the person to whom the firearm curio or relic is transferred, or the name and license number of the person to whom transferred if such person is a licensee, and the date of birth of the transferee if other than a licensee. In addition, the licensee shall cause the transferee, if other than a licensee, to be identified in any manner customarily used in commercial transactions (e.g., a driver’s license), and note on the record the method used.

(2) The format required for the record of receipt and disposition of firearms by collectors is as follows:

FIREARMS COLLECTORS ACQUISITION AND DISPOSITION RECORD

Description of firearm					Receipt		Disposition			
Manufacturer and/or importer	Model	Serial No.	Type	Caliber or gauge	Date	Name and address or name and license No.	Date	Name and address or name and license No.	Date of birth if non-licensee	Driver’s license No. or other identification if non-licensee

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Dated: June 1, 2012.

Eric H. Holder, Jr.,
Attorney General.

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DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 344

[Department of the Treasury Circular, Public Debt Series No. 3-72]

U.S. Treasury Securities—State and Local Government Series

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (Treasury) is issuing this final rule to revise the regulations governing State and Local Government Series (SLGS) securities. SLGS securities are

non-marketable Treasury securities that are only available for purchase by issuers of tax-exempt securities. Current financial market conditions have resulted in extraordinarily low yields in the secondary market for some marketable Treasury securities. As a result, rates applicable to non-marketable State and Local Government Series (SLGS) securities sold to issuers of tax-exempt securities could be negative. To prevent this, Treasury is instituting a floor on the daily SLGS rate, by amending the definition of “SLGS rate” and the definition of the “annualized effective Demand Deposit rate” for Demand Deposit SLGS securities. Additionally, Treasury is revising the definition of “Y” in the annualized effective Demand Deposit rate calculation formula to clarify the calculation method to be used during a year that contains a leap day.

DATES: This final rule is effective June 7, 2012.

ADDRESSES: You can download this Final Rule at the following Internet addresses: [http://](http://www.publicdebt.treas.gov)

www.gpo.gov, or <http://www.regulations.gov>. It is also available for public inspection and copying at the Treasury Department Library, Main Treasury Building, 1500 Pennsylvania Avenue NW., Washington, DC 20220. To visit the library, call (202) 622-0990 for an appointment.

FOR FURTHER INFORMATION CONTACT: Debra Hines, Assistant Commissioner, Office of the Assistant Commissioner for Public Debt Accounting, Bureau of the Public Debt, at (304) 480-5101 or opdasib@bpd.treas.gov, Edward Gronseth, Deputy Chief Counsel, Elizabeth Spears, Senior Attorney, or Brian Metz, Attorney-Adviser, Office of the Chief Counsel, Bureau of the Public Debt at (304) 480-8692.

SUPPLEMENTARY INFORMATION: The SLGS program assists state and local government issuers and other entities in complying with the yield restriction and rebate requirements applicable to tax-exempt bonds under the Internal Revenue Code. The SLGS rate on Time Deposit SLGS securities is derived from

the Treasury yield curve, less Treasury's administrative costs. As Treasury's costs of administering the SLGS program have decreased so has the amount of the differential that exists between the SLGS rate and the Treasury borrowing rate. The differential was last changed in a 2005 Final Rule (70 FR 37904, June 30, 2005) when Treasury lowered the SLGS rate from 5 basis points below the current Treasury borrowing rates to 1 basis point below current Treasury borrowing rates.

In this rule, Treasury revises the definition of "SLGS rate" and "annualized effective Demand Deposit rate" to address the current extremely low yield environment. The revised definitions will prevent the calculation of the rates for SLGS securities from resulting in negative rates. No change is being made to Treasury's administrative costs. Additionally, to add clarification to part 344, Treasury revises the definition of "Y" in the annualized effective Demand Deposit rate calculation formula to clarify the calculation method to be used during a year that contains a leap day. This revision should not affect issuers' practices and systems.

While the formula for calculating the rate for Demand Deposit SLGS securities remains unchanged under § 344.7(a), the definition of "annualized effective Demand Deposit rate" is being amended. This has the effect of preventing the calculation of the rate for Demand Deposit SLGS securities from resulting in a negative rate. Demand Deposit SLGS securities will continue to bear a rate of interest based on an adjustment of the average yield for three-month (13-week) Treasury bills at the most recent auction. A new rate will be effective on the first business day following the regular auction of 13-week Treasury bills and will continue to be shown in the SLGS rate table. Lastly, Treasury's administrative costs for administering Demand Deposit SLGS securities remain unchanged under § 344.7(a)(2).

Procedural Requirements

Executive Order 12866. This final rule is not a significant regulatory action pursuant to Executive Order 12866, dated September 30, 1993.

Administrative Procedure Act (APA). Because this rule relates to United States securities, which are contracts between Treasury and the owner of the security, this rule falls within the contract exception to the APA, 5 U.S.C. 553(a)(2). As a result, the notice, public comment, and delayed effective date provisions of the APA are inapplicable to this rule.

Regulatory Flexibility Act. The provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, do not apply to this rule because, pursuant to 5 U.S.C. 553(a)(2), it is not required to be issued with notice and opportunity for public comment.

Paperwork Reduction Act (PRA). We ask for no collections of information in this final rule. Therefore, the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) does not apply.

Congressional Review Act (CRA). This rule is not a major rule pursuant to the CRA, 5 U.S.C. 801 *et seq.*, because it is a minor amendment that is not expected to lead to any of the results listed in 5 U.S.C. 804(2). This rule will take effect upon publication in the **Federal Register**, after we submit a copy of it to Congress and the Comptroller General.

List of Subjects in 31 CFR Part 344

Bonds, Government securities, Reporting and recordkeeping requirements.

Accordingly, for the reasons set forth in the preamble, Treasury amends 31 CFR part 344 as follows:

PART 344—U.S. TREASURY SECURITIES—STATE AND LOCAL GOVERNMENT SERIES

- 1. The authority citation for part 344 continues to read as follows:

Authority: 26 U.S.C. 141 note; 31 U.S.C. 3102, 3103, 3104, and 3121.

- 2. Amend § 344.1 by revising the definition of "SLGS rate," to read as follows:

§ 344.1 What special terms do I need to know to understand this part?

* * * * *

SLGS rate means the current Treasury borrowing rate, less one basis point, as released daily by Treasury in a SLGS rate table. If the current Treasury borrowing rate, together with the one basis point adjustment, results in a negative rate, such corresponding SLGS rate will be set at zero.

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- 3. Amend § 344.7 by:
 - a. Revising paragraph (a) introductory text; and
 - b. Revising "I" and "Y" in Equation 1 in paragraph (a)(1)(i) to read as follows:

§ 344.7 What are Demand Deposit securities?

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(a) *How is the rate for Demand Deposit securities determined?* Each security shall bear a rate of interest based on an adjustment of the average yield for 13-week Treasury bills at the

most recent auction. A new annualized effective Demand Deposit rate and daily factor for the Demand Deposit rate are effective on the first business day following the regular auction of 13-week Treasury bills and are shown in the SLGS rate table. Interest is accrued and added to the principal daily. Interest is computed on the balance of the principal, plus interest accrued through the preceding day.

(1) * * *

(i) * * *

(Equation 1)

* * * * *

I = Annualized effective Demand Deposit rate in decimals. If the rate is determined to be negative, such rate will be reset to zero.

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Y = 365 (if the year following issue date of the 13-week Treasury bill does not contain a leap year day) or 366 (if the year following issue date of the 13-week Treasury bill does contain a leap year day).

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Richard L. Gregg,
Fiscal Assistant Secretary.
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**DEPARTMENT OF THE TREASURY
 Financial Crimes Enforcement Network**

**31 CFR Part 1010
 RIN 1506-AB17**

Amendment to the Bank Secrecy Act Regulations—Requirement That Clerks of Court Report Certain Currency Transactions

AGENCY: Financial Crimes Enforcement Network ("FinCEN"), Treasury.
ACTION: Final rule.

SUMMARY: FinCEN is amending the rules relating to the reporting of certain currency transactions consistent with a recent statutory amendment authorizing FinCEN to require clerks of court to file such reports with the U.S. Department of the Treasury. Such information already is required to be reported by clerks of court pursuant to regulations issued by the Internal Revenue Service ("IRS"), but FinCEN heretofore has been limited in its ability to access and share further that information because of minor differences between the relevant statutory authorities applicable to FinCEN and the IRS.

DATES: *Effective Date:* July 9, 2012.
FOR FURTHER INFORMATION CONTACT: The FinCEN regulatory helpline at (800) 949-2732 and select Option 6.