

subject to the rules of this section. In addition, the rules of this section do not apply in making allocation of book items pursuant to § 1.704–1(b)(2)(iv)(e), (f), or (s). In all cases, all partnership items for each taxable year must be allocated among the partners, and no partnership items may be duplicated, regardless of the particular provision of section 706 (or other Code section) which applies, and regardless of the method or convention adopted by the partnership.

(3) \* \* \*  
 (viii) Eighth, determine the partnership’s proration periods, which are specific portions of a segment created by a variation for which the partnership chooses to apply the proration method. The first proration period in each segment begins at the beginning of the segment, and ends at the first time of the first variation within the segment for which the partnership selects the proration method. The next

proration period begins immediately after the close of the prior proration period and ends at the time of the next variation for which the partnership selects the proration method. However, each proration period shall end no later than the close of the segment.

\* \* \* \* \*

(4)

*Example.* At the beginning of 2017, PRS, a calendar year partnership, has three equal partners, A, B, and C. On April 16, 2017, A sells 50% of its interest in PRS to new partner D. On August 6, 2017, B sells 50% of its interest in PRS to new partner E. During 2015, PRS earned \$75,000 of ordinary income, incurred \$33,000 of ordinary deductions, earned \$12,000 of capital gain in the ordinary course of its business, and sustained \$9,000 of capital loss in the ordinary course of its business. Within that year, PRS earned \$60,000 of ordinary income, incurred \$24,000 of ordinary deductions, earned \$12,000 of capital gain, and sustained \$6,000 of capital loss between January 1, 2017, and July 31, 2017, and PRS earned

\$15,000 of gross ordinary income, incurred \$9,000 of gross ordinary deductions, and sustained \$3,000 of capital loss between August 1, 2017, and December 31, 2017. None of PRS’s items are extraordinary items within the meaning of paragraph (e)(2) of this section. Capital is a material income-producing factor for PRS. For 2017, PRS determines the distributive shares of A, B, C, D, and E as follows:

\* \* \* \* \*

(g) \* \* \* For purposes of the immediately preceding sentence, an existing publicly traded partnership is a partnership described in section 7704(b) that was formed prior to April 14, 2009.  
 \* \* \*

**§ 1.706–4 [Amended]**

■ **Par. 7.** For each entry in § 1.706–4 in the “Section” column, remove the language in “Remove” column from wherever it appears in the Example and add in its place the language in the “Add” column as set forth below:

Section	Remove	Add
Paragraph (a)(4) <i>Example.</i> (iii) .....	2015.	2017.
Paragraph (a)(4) <i>Example.</i> (iv) .....	2015.	2017.
Paragraph (a)(4) <i>Example.</i> (v) .....	2015.	2017.
Paragraph (a)(4) <i>Example.</i> (vi) .....	2015.	2017.
Paragraph (a)(4) <i>Example.</i> (vii) .....	2015.	2017.
Paragraph (a)(4) <i>Example.</i> (viii) .....	2015.	2017.
Paragraph (c)(4) <i>Example.</i> 1 .....	2015.	2016.
Paragraph (c)(4) <i>Example.</i> 1 .....	February 28, 2015.	February 29, 2016.
Paragraph (c)(4) <i>Example.</i> 2 .....	2015.	2016.
Paragraph (d)(2) <i>Example.</i> (i) .....	2015.	2016.
Paragraph (d)(2) <i>Example.</i> (ii) .....	2015.	2016.
Paragraph (d)(2) <i>Example.</i> (iii) .....	2015.	2016.
Paragraph (d)(2) <i>Example.</i> (iv) .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 1 .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 2 .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 3 .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 4 .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 5 .....	2015.	2016.
Paragraph (e)(4) <i>Example.</i> 6 .....	item.	items.

**Martin V. Franks,**  
 Chief, Publications and Regulations Branch,  
 Legal Processing Division, Associate Chief  
 Counsel (Procedure and Administration).

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Parts 1 and 602**

[TD 9728]

RIN 1545–BD71

**Determination of Distributive Share  
 When Partner’s Interest Changes;  
 Correction**

**AGENCY:** Internal Revenue Service (IRS),  
 Treasury.

**ACTION:** Final regulations; correction.

**SUMMARY:** This document contains corrections to final regulations (TD 9728) that were published in the **Federal Register** on Monday, August 3, 2015 (80 FR 45865). The final

regulations regarding the determination of a partner’s distributive share of partnership items of income, gain, loss, deduction, and credit when a partner’s interest varies during a partnership taxable year.

**DATES:** This correction is effective *November 4, 2015* and applicable August 3, 2015.

**FOR FURTHER INFORMATION CONTACT:** Benjamin H. Weaver of the Office of Associate Chief Counsel (Passthroughs and Special Industries at (202) 317–6850 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9728) that are the subject of this correction are under section 706 of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9728) contain errors that may prove to be misleading and are in need of clarification.

**Correction of Publication**

Accordingly, the final regulations (TD 9728), that are subject to FR Doc. 2015-18816, are corrected as follows:

1. On page 45866, in the preamble, third column, last sentence of first full paragraph, the language “rules, including section 706(d)(2) and section 706(d)(3).” is corrected to read “rules, including section 704(c), § 1.704-3(a)(6) (reverse section 704(c)), section 706(d)(2), and section 706(d)(3).”

2. On page 45868, in the preamble, first column, fourth line from the bottom of the column, the language “interim closings of its books except at” is corrected to read “interim closing of its books except at”.

3. On page 45871, in the preamble, second column, third line from the bottom of the column, under paragraph heading “*v. Deemed Timing of Variations*,” the language “taxable year was deemed to close at the” is corrected to read “taxable year was deemed to occur at the”.

4. On page 45873, in the preamble, third column, eighth line from the bottom of the column, the language “taxable as of which the recipients of a” is corrected to read “taxable year as of which the recipients of a”.

5. On page 45874, second column, eight lines from the bottom of the column, the following sentence is added to the end of the paragraph: “These final regulations do not override the application of section 704(c), including reverse section 704(c), and therefore the final regulations provide that the rules of section 706 do not apply in making allocations of book items upon a partnership revaluation.”

6. On page 45876, in the preamble, second column, under paragraph heading “*Effective/Applicability Dates*”, fifth line of the first paragraph, the language “of a special rule applicable to § 1.704-” is corrected to read “of a special rule applicable to § 1.706-”.

7. On page 45876, in the preamble, second column, under paragraph heading “*Effective/Applicability Dates*”, third line of the second paragraph, the language “regulations apply to the partnership” is corrected to read “regulations apply to partnership”.

8. On page 45876, in the preamble, third column, fourth line from the top of the column, the language “that was formed prior to April 19, 2009.” is corrected to read “that was formed prior to April 14, 2009.”

9. On page 45877, first column, under paragraph heading “*List of Subjects*,” the fourth line, the language “26 CFR part 2” is corrected to read “26 CFR part 602”.

10. On page 45883, third column, the first line of the signature block, the language “Karen L. Schiller,” is corrected to read “Karen M. Schiller,”.

**Martin V. Franks,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. 2015-28014 Filed 11-3-15; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF AGRICULTURE****Forest Service****36 CFR Part 242****DEPARTMENT OF THE INTERIOR****Fish and Wildlife Service****50 CFR Part 100**

[Docket No. FWS-R7-SM-2015-0156; FXRS12610700000-156-FF07J00000; FBMS#4500086366]

**RIN 1018-BA82**

**Subsistence Management Regulations for Public Lands in Alaska; Rural Determinations, Nonrural List**

**AGENCY:** Forest Service, Agriculture; Fish and Wildlife Service, Interior.

**ACTION:** Direct final rule.

**SUMMARY:** This rule revises the list of nonrural areas in Alaska identified by the Federal Subsistence Board (Board). Only residents of areas that are rural are eligible to participate in the Federal Subsistence Management Program on public lands in Alaska. Based on a Secretarial review of the rural determination process, and the subsequent change in the regulations governing this process, the Board is revising the current nonrural determinations to the list that existed prior to 2007. Accordingly, the community of Saxman and the area of Prudhoe Bay will be removed from the nonrural list. The following areas continue to be nonrural, but their boundaries will return to their original borders: the Kenai Area; the Wasilla/Palmer area; the Homer area; and the Ketchikan area.

**DATES:** This rule is effective on December 21, 2015 unless we receive significant adverse comments on or before December 4, 2015.

**ADDRESSES:** You may submit comments by one of the following methods:

- *Electronically:* Go to the Federal eRulemaking Portal: <http://www.regulations.gov> and search for FWS-R7-SM-2015-0156, which is the docket number for this rulemaking.

- *By hard copy:* U.S. mail or hand-delivery to: USFWS, Office of Subsistence Management, 1011 East Tudor Road, MS 121, Attn: Theo Matuskowitz, Anchorage, AK 99503-6199

**FOR FURTHER INFORMATION CONTACT:**

Chair, Federal Subsistence Board, c/o U.S. Fish and Wildlife Service, Attention: Eugene R. Peltola, Jr., Office of Subsistence Management; (907) 786-3888 or [subsistence@fws.gov](mailto:subsistence@fws.gov). For questions specific to National Forest System lands, contact Thomas Whitford, Regional Subsistence Program Leader, USDA, Forest Service, Alaska Region; (907) 743-9461 or [twhitford@fs.fed.us](mailto:twhitford@fs.fed.us).

**SUPPLEMENTARY INFORMATION:****Background**

Under Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) (16 U.S.C. 3111-3126), the Secretary of the Interior and the Secretary of Agriculture (Secretaries) jointly implement the Federal Subsistence Management Program (Program). This program provides a preference for take of fish and wildlife resources for subsistence uses on Federal public lands and waters in Alaska. Only residents of areas identified as rural are eligible to participate in the Program on Federal public lands in Alaska. Because this program is a joint effort between Interior and Agriculture, these regulations are located in two titles of the Code of Federal Regulations (CFR): Title 36, “Parks, Forests, and Public Property,” and Title 50, “Wildlife and Fisheries,” at 36 CFR 242.1-242.28 and 50 CFR 100.1-100.28, respectively.

Consistent with these regulations, the Secretaries established a Federal Subsistence Board (Board) comprising Federal officials and public members to administer the Program. One of the Board’s responsibilities is to determine which communities or areas of the State are rural or nonrural. The Secretaries also divided Alaska into 10 subsistence resource regions, each of which is represented by a Regional Advisory Council (Council). The Council members represent varied geographical, cultural, and user interests within each region. The Councils provide a forum for rural residents with personal knowledge of local conditions and resource requirements to have a