

than 50 percent of the fair market value of the stock of USR2, and USR2 is a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(3) *Alternative facts: QIE stock held by public QIE that is not a domestically controlled QIE.* The facts are the same as in paragraph (c)(3)(vi)(C)(1) of this section (Example 3), except that 25 percent of the stock of USR1 is held by each of FC1 and FC2, with the remaining 50 percent of the stock of USR1 held by the USR1 small public shareholders. Regardless of the treatment of the USR1 small public shareholders, USR1 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section because FC1 and FC2, each a foreign person as defined in paragraph (k) of this section, together hold directly or indirectly 50 percent of the stock of USR1 and, thus, foreign persons do not hold directly or indirectly less than 50 percent of the fair market value of the stock of USR1. In addition, the USR2 stock held by USR1 is treated as held by a foreign person that is a non-look-through person under paragraph (c)(3)(iii)(C) of this section. Because USR1 holds directly or indirectly 51 percent of the stock of USR2, foreign persons do not hold directly or indirectly less than 50 percent of the fair market value of the stock of USR2, and USR2 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(D) *Example 4: QIE stock held by non-public QIE—(1) Facts.* USR2 is a REIT, 49 percent of the stock of which is held by nonresident alien individuals, and 51 percent of the stock of which is held by USR1, a REIT. U.S. citizens hold 50 percent of the stock of USR1. The remaining 50 percent of the stock of USR1 is held by PRS, a domestic partnership, 50 percent of the interests in which are held by DC, a public domestic C corporation as defined in paragraph (c)(3)(v)(G) of this section, and 50 percent of the interests in which are held by nonresident alien individuals.

(2) *Analysis.* Under paragraph (c)(3)(v)(L) of this section, USR2 and USR1 are QIEs. USR1 is not treated as a non-look-through person under paragraph (c)(3)(iii)(C) of this section because USR1 is not a public QIE as defined in paragraph (c)(3)(v)(H) of this section. Each of USR1 and PRS is a look-through person as defined in paragraph (c)(3)(v)(C) of this section that is not treated as holding directly or indirectly stock in USR2 for purposes of determining whether USR2 is a domestically controlled QIE under paragraph (c)(3)(ii)(A) of this section.

Under paragraph (c)(3)(ii)(B) of this section, stock of a QIE that would be considered held by a look-through person but for the application of paragraph (c)(3)(ii)(A) of this section is considered held directly or indirectly proportionately by the look-through person's direct or indirect owners that are non-look-through persons. Because the U.S. citizens who hold USR1 stock are non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, those U.S. citizens are treated as holding directly or indirectly 25.5 percent of the stock of USR2 through their USR1 stock interest (50% x 51%) in accordance with paragraph (c)(3)(ii)(A) of this section. Similarly, because DC and the nonresident alien partners in PRS are non-look-through persons, each is treated as holding directly or indirectly the stock of USR2 through its interest in PRS and PRS's interest in USR1. Thus, DC is treated as holding directly or indirectly 12.75 percent of the stock of USR2 (50% x 50% x 51%) and the nonresident alien individual partners, which are foreign persons as defined in paragraph (k) of this section, are treated as directly or indirectly holding a 12.75 percent aggregate interest in the stock of USR2 (50% x 50% x 51%). Foreign persons therefore hold directly or indirectly 63.25 percent of the stock of USR2 (the 49 percent stock in USR2 directly held by nonresident alien individuals, who are foreign persons and non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, plus the 12.75 percent in stock indirectly held by the nonresident alien individual partners in PRS), and USR2 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(4) *Foreign ownership percentage.* For purposes of calculating the foreign ownership percentage under section 897(h)(4)(C), the determination of the QIE stock that was held directly or indirectly by foreign persons is made under the rules of paragraphs (c)(3)(ii) through (vi) of this section.

(k) *Foreign person.* The term *foreign person* means a nonresident alien individual (including an individual subject to the provisions of section 877), a foreign corporation as defined in paragraph (l) of this section, a foreign partnership, a foreign trust or a foreign estate, as such persons are defined by section 7701 and the regulations in this chapter under section 7701. A resident alien individual, including a nonresident alien individual with respect to whom there is in effect an election under section 6013(g) or 6013(h) to be treated as United States

resident, is not a foreign person. With respect to the status of foreign governments and international organizations, see § 1.897-9T(e). See paragraph (c)(3)(iv)(A) of this section regarding the treatment of qualified foreign pension funds and qualified controlled entities as foreign persons for purposes of section 897(h)(4)(B).

(l) * * * For purposes of sections 897 and 6039C, however, the term does not include a foreign corporation with respect to which there is in effect an election under section 897(i) and § 1.897-3 to be treated as a domestic corporation. For purposes of section 897, the term does not include a qualified holder described in § 1.897(l)-1(d); see paragraph (c)(3)(iv)(A) of this section regarding the treatment of qualified foreign pension funds and qualified controlled entities as foreign persons for purposes of section 897(h)(4)(B).

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(n) See § 1.897-9T(d) for a definition of regularly traded for purposes of sections 897, 1445, and 6039C.

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■ **Par. 5.** Section 1.897-9T is amended by removing and reserving paragraph (c) and adding a sentence after the second sentence of paragraph (e).

The addition reads as follows:

§ 1.897-9T Treatment of certain interest in publicly traded corporations, definition of foreign person, and foreign governments and international organizations (temporary).

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(e) * * * See § 1.897-1(c)(3)(iv)(B) regarding the treatment of international organizations as foreign persons for purposes of section 897(h)(4)(B). * * *

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Melanie R. Krause,
Acting Deputy Commissioner for Services and Enforcement.

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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; Comment Period Reopening

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; reopening of comment period.

SUMMARY: The Department of the Treasury and the IRS are reopening the comment period for REG-146537-06, relating to the exemption from taxation afforded to foreign governments under section 892.

DATES: The comment period is reopened, and additional written or electronic comments and requests for a public hearing must be received by February 27, 2023.

ADDRESSES: Commenters are strongly encouraged to submit additional public comments electronically. Submit electronic submissions via the Federal eRulemaking Portal at www.regulations.gov (indicate IRS and REG-146537-06) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (the "Treasury Department") and the Internal Revenue Service (the "IRS") will publish for public availability any comment submitted electronically, and on paper, to its public docket. Send hard copy submissions to: CC:PA:LPD:PR (REG-146537-06), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-146537-06), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Joel Death at (202) 317-6938; concerning submissions of comments or requests for a public hearing, Vivian Hayes at (202) 317-5306 (not toll-free numbers) or by sending an email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION: Generally, the 2011 proposed regulations provide guidance relating to the exemption from taxation afforded to foreign governments from qualified investments in the United States under section 892 of the Internal Revenue Code. The Treasury Department and the IRS are considering finalizing the 2011 proposed regulations and, therefore, are reopening the comment period with respect to the 2011 proposed regulations for 60 days. Comments that were previously submitted in accordance with the 2011 proposed regulations will be considered and do not need to be submitted again in response to this reopening of the comment period. The 2011 proposed regulations may be finalized in

conjunction with finalizing the proposed regulations published in this issue of the **Federal Register** regarding the treatment of certain entities for purposes of the section 892 exemption that relate in some respects to certain provisions of the 2011 proposed regulations.

Requests for Public Hearing: A public hearing will be scheduled if requested in writing by any person who timely submits written comments. Requests for a public hearing are encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the **Federal Register**. Announcement 2020-4, 2020-17 IRB 667, provides that until further notice, public hearings conducted by the IRS will be held telephonically. Any telephonic hearing will be made accessible to people with disabilities.

Oluwafunmilayo A. Taylor,

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 Part 300

[REG-100719-21]

RIN 1545-BQ26

User Fees Relating to Enrolled Actuaries; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of a notice of public hearing on a proposed rulemaking.

SUMMARY: This document cancels a public hearing on proposed regulations increasing both the enrollment and renewal of enrollment user fees for enrolled actuaries from \$250.00 to \$680.00.

DATES: The public hearing scheduled for January 9, 2023, at 10 a.m. EST is cancelled.

FOR FURTHER INFORMATION CONTACT: Vivian Hayes of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration) at (202) 317-5306 (not a toll-free number).

SUPPLEMENTARY INFORMATION: A correction to a notice of proposed rulemaking and a notice of public hearing that appeared in the **Federal**

Register on November 9, 2022 (87 FR 67611) announced that a public hearing being held by teleconference was scheduled for January 9, 2023, at 10 a.m. EST. The subject of the public hearing is under 26 CFR part 300.

The public comment period for these regulations expired on December 19, 2022. The notice of proposed rulemaking and notice of public hearing instructed those interested in testifying at the public hearing to submit a request to testify and an outline of the topics to be addressed. We did not receive a request to testify at the Public Hearing. Therefore, the public hearing scheduled for January 9, 2023, at 10 a.m. EST is cancelled.

Oluwafunmilayo A. Taylor,

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

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 122 and 123

[EPA-HQ-OW-2022-0834; FRL-10123-03-OW]

RIN 2040-AG27

NPDES Small MS4 Urbanized Area Clarification; Extension of Comment Period

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; extension of comment period.

SUMMARY: The Environmental Protection Agency (EPA) is extending the comment period for the proposed rule entitled "NPDES Small MS4 Urbanized Area Clarification." EPA is extending the comment period for 15 days, from January 3, 2023 to January 18, 2023, in response to a stakeholder request for an extension. EPA is also publishing the same extension of the comment period to the direct final rule in the **Federal Register**.

DATES: The comment period for the proposed rule published in the **Federal Register** on December 2, 2022 (87 FR 74066), is being extended for fifteen days. Comments must be received on or before January 18, 2023.

ADDRESSES: You may send comments, identified by Docket ID No. EPA-HQ-OW-2022-0834 to <https://www.regulations.gov/>. Follow the online instructions for submitting comments.

Once submitted, comments cannot be edited or removed from *Regulations.gov*.