

entity and is not recognized as a separate entity from the Tribes for Federal tax purposes, except for the purposes described in § 1.6417–1(c)(7) of this chapter and paragraph (a)(4)(iii) of this section. Accordingly, Corporation K is not subject to Federal income tax. Under § 1.6417–1(c)(7) of this chapter, Corporation K is treated as an instrumentality of Tribe A, Tribe B, Tribe C, and Tribe D for the purposes of making a section 6417 election (including determining eligibility for and the consequences of such election). Thus, Corporation K, rather than Tribe A, Tribe B, Tribe C, or Tribe D, would be the applicable entity for purposes of making a section 6417 election for any applicable credit relating to property held or activities conducted by Corporation K. Corporation K is treated as a corporation separate from its owners for Federal employment tax purposes governed under subtitle C of the Internal Revenue Code, and as separate from its owners for the Federal excise tax purposes identified in § 301.7701–2(c)(2)(v)(A). The analysis would be the same if Tribe A, Tribe B, Tribe C, and Tribe D had organized their business as an LLC pursuant to Tribe A's business code instead of incorporating Corporation K.

(E) *Example 5.* Tribe A incorporates Corporation L pursuant to Tribe A's Corporations Ordinance, which governs the purpose, formation, and operation of commercial entities. Corporation L subsequently incorporates Corporation M pursuant to Tribe A's Corporations Ordinance. Tribe A owns all the shares of Corporation L, and Corporation L owns all the shares of Corporation M. Corporations L and M are therefore wholly owned by Tribe A and organized or incorporated under the laws of Tribe A. In a later year, Tribe B, in agreement with Tribe A, acquires some, but not all, shares of Corporation M. Corporations L and M continue to be considered as wholly owned by Indian Tribal governments and were incorporated under the laws of an Indian Tribal government that owns them. As a result, neither Corporation L nor Corporation M is recognized as a separate entity from the Tribes that own them for Federal tax purposes, except for the purposes described in § 1.6417–1(c)(7) of this chapter and paragraph (a)(4)(iii) of this section. Accordingly, Corporations L and M are not subject to Federal income tax. Under § 1.6417–1(c)(7) of this chapter, Corporation L is treated as an instrumentality of Tribe A, and Corporation M is treated as an instrumentality of Tribe A and Tribe B, for the purposes of making a section

6417 election (including determining eligibility for and the consequences of such election). Thus, Corporations L and M, rather than Tribe A or Tribe B, would be the applicable entities for purposes of making a section 6417 election for any applicable credit relating to property held or activities conducted by Corporations L and M, respectively. Both Corporation L and Corporation M are treated as corporations separate from their owners for Federal employment tax purposes governed under subtitle C of the Internal Revenue Code, and as separate from their owners for the Federal excise tax purposes identified in § 301.7701–2(c)(2)(v)(A). The analysis would be the same if Tribe A had organized its businesses as LLCs pursuant to Tribe A's business code instead of incorporating Corporations L and M, and had Tribe B acquired a membership interest instead of stock.

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(f) *Applicability dates*—(1) *In general.* Except as provided in paragraph (f)(2) of this section, the rules of this section are applicable as of January 1, 1997.

(2) *Exceptions*—(i) *Paragraph (a)(4) of this section.* The rules of paragraph (a)(4) of this section apply to taxable periods beginning on or after January 1, 2026. An entity may choose to apply paragraph (a)(4) of this section to taxable periods beginning before January 1, 2026, for which the applicable period of limitations is open.

(ii) *Paragraph (c) of this section.* The rules of paragraph (c) of this section are applicable on January 5, 2009.

Frank J. Bisignano,
Chief Executive Officer.

Approved: November 12, 2025.

Kenneth J. Kies,
Assistant Secretary of the Treasury (Tax Policy).

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG–2025–1097]

Special Local Regulations; San Diego Parade of Lights, San Diego, CA

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the San Diego Parade of Lights special

local regulations on the waters of San Diego Bay, California on December 14, 2025, and December 21, 2025. These special local regulations are necessary to provide for the safety of the participants, crew, spectators, sponsor vessels, and general users of the waterway. During the enforcement period, persons and vessels are prohibited from anchoring, blocking, loitering, or impeding within this regulated area unless authorized by the Captain of the Port Sector San Diego or a designated representative.

DATES: The regulations in 33 CFR 100.1101 will be enforced from 5:30 p.m. through 9:30 p.m. on December 14, 2025, and from 5:30 p.m. through 9:30 p.m. on December 21, 2025, for Item 5 in Table 1 of Section 100.1101.

FOR FURTHER INFORMATION CONTACT: If you have questions about this publication of enforcement, call or email Lieutenant Shelley Delgado, Waterways Management, U.S. Coast Guard Sector San Diego, CA; telephone (619) 278–7656, email MarineEventsSD@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the special local regulations in 33 CFR 100.1101 for the San Diego Parade of Lights in San Diego Bay, CA in 33 CFR 100.1101, Table 1, Item 5 of that section from 5:30 p.m. until 9:30 p.m. on December 14, 2025, and from 5:30 p.m. until 9:30 p.m. on December 21, 2025. This enforcement action is being taken to provide for the safety of life on navigable waterways during the event. The Coast Guard's regulation for recurring marine events in the San Diego Captain of the Port Zone identifies the regulated entities and area for this event. During the enforcement periods, as reflected in § 100.1101, persons and vessels are prohibited from anchoring, blocking, loitering, or impeding within this regulated area, unless authorized by the Captain of the Port, or his designated representative. The Coast Guard may be assisted by other Federal, State, or local law enforcement agencies in enforcing this regulation.

In addition to this notification of enforcement in the **Federal Register**, the Coast Guard will provide the maritime community with advance notification of this enforcement period via the Local Notice to Mariners, marine information broadcasts, and local advertising by the event sponsor.

R.C. Tucker,
Captain, U.S. Coast Guard, Captain of the Port Sector San Diego.

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