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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 58

[TD 10037]

RIN 1545-BQ59

Excise Tax on Repurchase of Corporate Stock; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final rule; correcting amendments.

SUMMARY: This document includes corrections to final regulations (TD 10037) published in the **Federal Register** (90 FR 53144) on Monday, November 24, 2025, providing guidance regarding the application of the excise tax on repurchases of corporate stock made after December 31, 2022.

DATES:

Effective date: These corrections are effective on February 11, 2026.

Applicability date: For dates of applicability, see §§ 1.1275-6(f)(12)(iii)(B), 58.4501-6, 58.4501-7(r), and 58.6011-1(d).

FOR FURTHER INFORMATION CONTACT: Concerning § 58.4501-7, Brittany N. Dobi of the Office of Associate Chief Counsel (International) at (202) 317-5469 (not a toll-free number). For all other issues, Kailee H. Hock of the Office of Associate Chief Counsel (Corporate) at (202) 317-3181 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 10037) subject to these corrections are issued under sections 1275, 4501, and 6011 of the Internal Revenue Code.

List of Subjects in 26 CFR Part 58

Excise taxes, Stocks, Reporting and recordkeeping requirements.

Correction to the Regulations

Accordingly, 26 CFR part 58 is corrected by making the following correcting amendments:

PART 58—STOCK REPURCHASE EXCISE TAX

■ **Paragraph 1.** The authority citation for part 58 continues to read in part as follows:

Authority: 26 U.S.C. 4501(f) and 7805.

■ **Par. 2.** Section 58.4501-4 is amended by revising paragraph (f)(3)(i) to read as follows:

§ 58.4501-4 Application of netting rule.

* * * * *

(f) * * *

(3) * * *

(i) Any stock issued by a recapitalizing corporation as part of a transaction qualifying as an E reorganization, but only to the extent such stock was issued in exchange for other stock of the recapitalizing corporation.

* * * * *

■ **Par. 3.** Section 58.4501-5 is amended by revising paragraph (b)(20)(ii) to read as follows:

§ 58.4501-5 Examples.

* * * * *

(b) * * *

(20) * * *

(ii) *Analysis.* Corporation X reduces its gross repurchase amount by an amount equal to the sum of the fair market values of the different class of stock at the time the stock is contributed to the employer-sponsored retirement plan (\$1,000x + \$500x = \$1,500x). Corporation X's stock repurchase excise tax base for its 2025 taxable year is \$0 (\$1,200x repurchase - \$1,500x exception). The \$300x excess of the contributions qualifying for the exception under § 58.4501-3(d) over the gross repurchase amount (\$1,500x exception - \$1,200x gross repurchase amount) may not be carried forward or backward to preceding or succeeding

taxable years of Corporation X. See § 58.4501-2(c)(2)(ii).

* * * * *

Oluwafunmilayo A. Taylor,
Chief, Publications and Regulations Section, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2026-02748 Filed 2-10-26; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG-2025-0999]

RIN 1625-AA09

Drawbridge Operation Regulation; Passaic River, Between the City of Newark and Town of Kearny, NJ

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is modifying the operating regulation that governs the Point No Point Railroad Bridge across the Passaic River, mile 2.6, between the City of Newark and Town of Kearny, NJ. The change in the regulation will allow the bridge to be remotely operated from the Conrail North Jersey Dispatch Center in Mount Laurel, NJ. This change will alter the operating schedule of the bridge to open on signal and no longer require a four-hour advance notice.

DATES: This rule is effective March 13, 2026.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>. Type the docket number USCG-2025-0999 in the "SEARCH" box and click "SEARCH". In the Document Type column, select "Supporting & Related Material."

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Mr. Gregory P. Hitchen, Northeast Coast Guard District (dpb), the Coast Guard; telephone 571-607-8154, email Gregory.P.Hitchen@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

[Delete/add any abbreviations not used/used in this document]

CFR Code of Federal Regulations
 DHS Department of Homeland Security
 FR Federal Register
 OMB Office of Management and Budget
 NPRM Notice of Proposed Rulemaking
 (Advance, Supplemental)
 § Section
 U.S.C. United States Code

II. Background Information and Regulatory History

On December 1, 2025, the Coast Guard published a Notice of Proposed Rulemaking entitled “Drawbridge Operation Regulation: Passaic River, Between the City of Newark and Town of Kearny, NJ” in the **Federal Register** (90 FR 55063). There we stated why we issued the NPRM and invited comments on our proposed regulatory action related to this regulatory change. During the comment period that ended December 31, 2025, we received one comment and that comment is addressed in Section IV of this Final Rule.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority 33 U.S.C. 499. The Point No Point Railroad Bridge across the Passaic River, between the City of Newark and Town of Kearny, NJ, mile 2.6, owned and operated by Conrail, has a vertical clearance of 20 feet above mean high water when closed and is unlimited when open.

This regulation will allow the bridge to be remotely operated from the Conrail North Jersey Dispatch Center in Mount Laurel, NJ. The current operating schedule is published in 33 CFR 117.739(c). With the implementation of remote operation of the bridge, the operating schedule will change to allow the bridge to open on signal versus requiring a four-hour advance notice. There are 30 daily train transits that cross the bridge and an average of one bridge opening every six months for vessel transits. The bridge is normally maintained in the closed position due to the average daily number of trains crossing the bridge. The Passaic River has limited commercial and recreational vessel traffic. Most commercial traffic supports marine construction projects in the waterway.

This rule will improve the efficiency of bridge openings. Currently the Conrail train dispatcher in Mount Laurel NJ must dispatch bridge operating personnel to open the Point No Point Railroad Bridge. Remote operations will allow the Conrail train dispatcher to open the bridge on signal.

IV. Discussion of Comments, Changes and the Final Rule

One comment was received that raised safety concerns regarding the remote operation of movable bridges over navigable waterways. The commenter urged the Coast Guard to work with the maritime industry, bridge owners and operators, and other stakeholders as appropriate to establish safety standards for remote controlled bridge operations.

In response to this comment, the Coast Guard amended the regulatory text to codify existing requirements to locally operate the bridge if the remote system malfunctions.

The bridge owner, Conrail, submitted a comprehensive remote operation application in accordance with the Coast Guard’s Bridge Remote/Automated Operation Request Guide. The Request Guide was developed to meet guidelines promulgated by the American Association of State Highway and Transportation Officials, and the National Institute of Standards and Technology, for remotely operated bridges. Both Conrail and the Coast Guard conducted outreach to local stakeholders regarding procedures and protocols for remote operations. Upon reviewing remote operation application, the Coast Guard assessed that the remote operation system is designed to provide equal or greater capabilities compared to the on-site bridge tender, and that the remote operation meets the reasonable needs for existing and prospective navigation on the waterway.

V. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive Orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive Orders.

A. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard received no comments from the Small Business Administration on this rule. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities for the following reasons. (1) vessels

will be able to obtain bridge openings on signal versus a four-hour advance notice, (2) the remote operation system is designed to provide equal or greater capabilities compared to the on-site bridge tender, and (3) the bridge owner will be capable of restoring on-site operation of the bridge within 60 minutes if the remote operation system fails.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule will affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency’s responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Government

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that Order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the

Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

E. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning Policy COMDTINST 5090.1 (series) which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321–4370f). The Coast Guard has determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule promulgates the operating regulations or procedures for drawbridges and is categorically excluded from further

review, under paragraph L49, of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1.

Neither a Record of Environmental Consideration nor a Memorandum for the Record are required for this rule.

List of Subjects in 33 CFR Part 117

Bridges.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 117 as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

■ 1. The authority citation for part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 33 CFR 1.05–1; and DHS Delegation No. 00170.1. Revision No. 1.04.

■ 2. Revise 117.739(c) to read as follows:

§ 117.739 Passaic River.

* * * * *

(c) The draw of CONRAIL's Point-No-Point Railroad Bridge, mile 2.6, between the City of Newark and the Town of Kearny, NJ, shall be operated from a remote location at all times, except when it is tended locally. The bridge shall open on signal once notice is given. After the signal to open is given, the opening may be delayed no more than ten minutes.

(1) Closed circuit television cameras shall be operated and maintained at the bridge site to enable the remotely

located bridge tender to have a full view of both vessel traffic and the bridge.

(2) Radiotelephone Channel 13/16 VHF–FM shall be maintained and utilized to facilitate communication in both remote and local control locations. A push-to-talk (PTT) will be maintained on VHF–FM channel 13. Vessels may push the PTT button five times while on VHF–FM channel 13 and the remotely located bridge tender will receive and respond to the request and commence opening of the bridge.

(3) The bridge shall also be equipped with directional microphones and horns to receive and deliver signals to vessels.

(4) A telephone number will be maintained and posted for mariners to directly contact the remotely located bridge tender.

(5) Whenever the remote-control system equipment is partially disabled or fails for any reason, the bridge shall be physically tended and operated by local control as soon as possible, but no more than 60 minutes after malfunction or disability of the remote system. Mechanical bypass and override capability of the remote system shall be provided and maintained.

* * * * *

M.E. Platt,

Rear Admiral, U.S. Coast Guard, Commander, Northeast Guard District.

[FR Doc. 2026–02690 Filed 2–10–26; 8:45 am]

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