

**SOCIAL SECURITY ADMINISTRATION****20 CFR Part 405**

RIN 0960-AG31

**Administrative Review Process for Adjudicating Initial Disability Claims; Correction****AGENCY:** Social Security Administration.**ACTION:** Final rule; correction.

**SUMMARY:** The Social Security Administration is correcting a final rule that appeared in the **Federal Register** on March 31, 2006 (71 FR 16424). The document amends our administrative review process for applications for benefits that are based on whether you are disabled under title II of the Social Security Act (the Act), or applications for supplemental security income (SSI) payments that are based on whether you are disabled or blind under title XVI of the Act.

**DATES:** Effective August 1, 2006.**FOR FURTHER INFORMATION CONTACT:**

Richard Bresnick, Social Insurance Specialist, Office of Regulations, Social Security Administration, 100 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-1758 or TTY (410) 966-5609 for information about this notice. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

**SUPPLEMENTARY INFORMATION:** In FR Doc. 06-3011 appearing on page 16424 in the **Federal Register** of Friday, March 31, 2006, the following correction is made:

**§ 405.601 [Corrected]**

■ On page 16456, in the third column, in § 405.601, in paragraph (b), “§§ 404.989(a)(1) and 416.989(a)(1)” is corrected to read “§§ 404.989(a)(1) and 416.1489(a)(1)”.

Dated: April 4, 2006.

**Gregory Zwitich,***Social Security Regulations Officer.*

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**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Parts 1 and 602**

[TD 9257]

RIN 1545-AY49

**Application of Section 338 to Insurance Companies****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains final regulations that apply to a deemed sale or acquisition of an insurance company's assets pursuant to an election under section 338 of the Internal Revenue Code, to a sale or acquisition of an insurance trade or business subject to section 1060, and to the acquisition of insurance contracts through assumption reinsurance. It also contains final regulations under section 381 concerning the effect of certain corporate liquidations and reorganizations on certain tax attributes of insurance companies. This document also contains temporary regulations under section 197 relating to the determination of adjusted basis of amortizable section 197 intangibles with respect to insurance contracts, section 338 relating to increases in reserves after a deemed asset sale and sections 338 and 846 relating to the effect of a section 338 election on a section 846(e) election. The text of the temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section in this issue of the **Federal Register**. The final and temporary regulations apply to insurance companies.

**DATES:** *Effective Date:* The final and temporary regulations are effective on April 10, 2006.

*Applicability Dates:* For dates of applicability of these regulations, see §§ 1.197-2(g)(5)(iv), 1.338(i)-1(c), and 1.1060-1(a)(2). The applicability of §§ 1.197-2T(g)(5)(ii), 1.338-11T(d), and 1.338-11T(e) will expire on April 7, 2009.

**FOR FURTHER INFORMATION CONTACT:**

Mark Weiss, (202) 622-7790 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:****Paperwork Reduction Act**

The collection of information in these final regulations was not proposed in the preceding notice of proposed rulemaking. The collection of

information has been reviewed in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545-1990.

The collection of information is in §§ 1.338-11T(e)(2), 1.338(i)-1(c), 1.381(c)(22)-1(c), 1.1060-1(a)(2). This information is required by the IRS to allow an insurance company permission to cease using its historical loss payment pattern and to allow parties to a transaction under section 338, to an applicable asset acquisition under section 1060, or to a distribution or reorganization to which section 381 applies to file a retroactive election to apply these regulations to transactions completed before the effective dates of these regulations. The likely recordkeepers are business or other for-profit institutions.

The estimated burden is as follows:

*Estimated total annual reporting and/or recordkeeping burden:* 12 hours.

*Estimated average annual burden per respondent:* 1 hour.

*Estimated number of respondents:* 12.

*Estimated annual frequency of responses:* once.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Any such comments should be submitted not later than June 9, 2006.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

**Background and Explanation of Provisions**

On March 8, 2002, the IRS and the Department of Treasury published a notice of proposed rulemaking in the **Federal Register** (REG-118861-00, 2002-1 C.B. 651 [67 FR 10640]) (the proposed regulations) that sets forth