

TABLE 3.—MATERIAL PREVIOUSLY INCORPORATED BY REFERENCE—Continued

Gulfstream service information	Revision level	Revision date
Gulfstream G550 GAC-AC-G550-OPS-0001	15	January 24, 2006.

Issued in Renton, Washington, on April 5, 2006.

Kevin M. Mullin,
*Acting Manager, Transport Airplane
Directorate, Aircraft Certification Service.*
[FR Doc. 06-3540 Filed 4-12-06; 8:45 am]
BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA-2005-23436; Airspace
Docket No. 05-ASO-10]

RIN 2120-AA66

**Establishment of Area Navigation
Instrument Flight Rules Terminal
Transition Route (RITTR); T-210;
Jacksonville, FL**

AGENCY: Federal Aviation
Administration (FAA), DOT.
ACTION: Final rule; correction.

SUMMARY: This action corrects an error
in the geographic coordinates of a

T-210 Taylor, FL to BRADO, FL [Corrected]
Taylor, FL (TAY)
OHLEE, FL
BRADO, FL

* * * * *

Issued in Washington, DC, on April 7,
2006.

Edith V. Parish,
Manager, Airspace and Rules.
[FR Doc. 06-3559 Filed 4-12-06; 8:45 am]
BILLING CODE 4910-13-P

waypoint (WP) listed in the description
of route T-210 in a final rule published
in the **Federal Register** on March 27,
2006 (71 FR 15027), Airspace Docket
No. 05-ASO-10. This action also makes
an editorial change to the order of the
points listed in the route description.

DATES: *Effective Date:* 0901 UTC, June 8,
2006.

FOR FURTHER INFORMATION CONTACT: Paul
Gallant, Airspace and Rules, Office of
System Operations Airspace and AIM,
Federal Aviation Administration, 800
Independence Avenue, SW.,
Washington, DC 20591; telephone: (202)
267-8783.

SUPPLEMENTARY INFORMATION:

History

On March 27, 2006, a final rule for
Airspace Docket No. 05-ASO-10 was
published in the **Federal Register** (71
FR 15027). This rule established RITTR
route T-210 in the Jacksonville, FL,
terminal area. In the description for
route T-210, the coordinates for the
OHLEE, FL, WP were incorrect. The
correct latitude and longitude

VORTAC
WP
Fix

coordinates for OHLEE are lat. 30°16'06"
N., long. 82°06'33" W. The action
corrects the error. In addition, the order
of the points listed in the rule for the
route T-210 legal description did not
match the order as listed in flight
inspection documentation. The rule
listed the points from east to west while
the flight inspection document listed
the points from west to east. This action
simply reverses the order of the points
listed in the route T-210 description to
agree with the flight inspection
documentation. This change does not
affect the alignment of the route.

Correction to Final Rule

■ Accordingly, pursuant to the authority
delegated to me, the legal descriptions
for T-210 as published in the **Federal
Register** on March 27, 2006 (71 FR
15027), and incorporated by reference in
14 CFR 71.1, is corrected as follows:

PART 71—[AMENDED]

§ 71.1 [Amended]

* * * * *

(Lat. 30°30'17" N., long. 82°33'10" W.)
(Lat. 30°16'06" N., long. 82°06'33" W.)
(Lat. 29°55'22" N., long. 81°28'08" W.)

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9244]

RIN 1545-BC05; 1545-BE88

**Determination of Basis of Stock or
Securities Received in Exchange for,
or With Respect to, Stock or Securities
in Certain Transactions; Treatment of
Excess Loss Accounts; Correction**

AGENCY: Internal Revenue Service (IRS),
Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a
correction to final and temporary
regulations (TD 9244), that was
published in the **Federal Register** on
Thursday, January 26, 2006 (71 FR
4264). This regulation provides

guidance regarding the determination of
the basis of stock or securities received
in exchange for, or with respect to stock
or securities in certain transactions.

DATES: This correction is effective
January 23, 2006.

FOR FURTHER INFORMATION CONTACT:
Theresa M. Kolish, (202) 622-7530 (not
a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations
(TD 9244) that are the subject of these
corrections are under sections 356, 358
and 1502 of the Internal Revenue Code.

Need for Correction

As published, TD 9244 contains errors
that may prove to be misleading and are
in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

■ Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

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

Authority: 26 U.S.C. 7805 * * *

§ 1.358-1 [Corrected]

■ **Par. 2.** Section 1.358-1 is amended by removing the seventh and eighth sentences of paragraph (b), *Example*, and adding the following sentence in their place:

§ 1.358-1 Basis to distributees.

* * * * *

(b) * * *

Example * * * The basis to A of the one share of stock Corporation Y is \$90, that is, the adjusted basis of the one share of stock of Corporation X (\$90), decreased by the sum of the cash received (\$10) and the fair market value of the other property received (\$30) and increased by the sum of the amount treated as a dividend (\$5) and the amount treated as a gain from the exchange of property (\$35). * * *

* * * * *

§ 1.358-2 [Corrected]

■ **Par. 3.** Section 1.358-2 is amended as follows:

- a. By revising paragraph (a)(2)(viii).
- b. By revising paragraph (ii) in paragraph (c), *Examples 4, 5, 6, and 11.*

The corrections read as follows:

§ 1.358-2 Allocation of basis among nonrecognition property.

(a) * * *

(2) * * *

(viii) This paragraph (a)(2) shall not apply to determine the basis of a share of stock or security received by a shareholder or security holder in an exchange described in both section 351 and section 354 or section 356, if, in connection with the exchange, the shareholder or security holder exchanges property for stock or securities in an exchange to which neither section 354 nor section 356 applies or liabilities of the shareholder or security holder are assumed.

* * * * *

(c) * * *

Example 4. * * *

(ii) *Analysis.* Under paragraph (a)(2)(ii) of this section and under

§ 1.356-1(b), because the terms of the exchange do not specify that shares of Corporation Y stock or cash are received in exchange for particular shares of Class A stock or Class B stock of Corporation X, a pro rata portion of the shares of Corporation Y stock and cash received will be treated as received in exchange for each share of Class A stock and Class B stock of Corporation X surrendered based on the fair market value of such stock. Therefore, J is treated as receiving one share of Corporation Y stock and \$5 of cash in exchange for each share of Class A stock of Corporation X and one share of Corporation Y stock and \$5 of cash in exchange for each share of Class B stock of Corporation X. J realizes a gain of \$140 on the exchange of shares of Class A stock of Corporation X, \$100 of which is recognized under § 1.356-1(a). J realizes a gain of \$80 on the exchanges of Class B stock of Corporation X, all of which is recognized under § 1.356-1(a). Under paragraph (a)(2)(i) of this section, J has 10 shares of Corporation Y stock, each of which has a basis of \$2 and is treated as having been acquired on Date 1, 10 shares of Corporation Y stock, each of which has a basis of \$4 and is treated as having been acquired on Date 2, and 20 shares of Corporation Y stock, each of which has a basis of \$5 and is treated as having been acquired on Date 3. Under paragraph (a)(2)(vii) of this section, on or before the date on which the basis of a share of Corporation Y stock received becomes relevant, J may designate which of the shares of Corporation Y stock received have a basis of \$2, which have a basis of \$4, and which have a basis of \$5.

Example 5. * * *

(ii) *Analysis.* Under paragraph (a)(2)(ii) of this section and under § 1.356-1(b), because the terms of the exchange specify that J receives 40 shares of stock of Corporation Y in exchange for J's shares of Class A stock of Corporation X and \$200 of cash in exchange for J's shares of Class B stock of Corporation X and such terms are economically reasonable, such terms control." in its place. J realizes a gain of \$140 on the exchange of shares of Class A stock of Corporation X, none of which is recognized under § 1.356-1(a). J realizes a gain of \$80 on the exchange of shares of Class B stock of Corporation X, all of which is recognized under § 1.356-1(a). * * *

Example 6. * * *

(ii) *Analysis.* Under paragraph (a)(2)(ii) of this section and under § 1.354-1(a), because the terms of the exchange specify that J receives 10

shares of stock of Corporation Y in exchange for J's shares of Class A stock of Corporation X and a Corporation Y security in exchange for its Corporation X security and such terms are economically reasonable, such terms control. * * *

* * * * *

Example 11. * * *

(ii) *Analysis.* Because the value of the common stock indicates that the liquidation preference associated with the Corporation Y preferred stock could be satisfied even if the reorganization did not occur, it is not appropriate to deem the issuance of additional Corporation Y preferred stock. * * *

* * * * *

§ 1.1502-19T [Corrected]

■ 3. Section 1.1502-19T is amended by:

- a. Revising the section heading.
- b. Revising paragraph (b)(2) through (c).
- c. Revising the text of paragraph (h)(2)(iv).

The corrections read as follows:

§ 1.1502-19T Excess loss accounts (temporary).

(a) through (c) [Reserved]. For further guidance, see § 1.1502-19(a) through (c).

* * * * *

(h)(2)(iv) * * * For guidance regarding determinations of the basis of the stock of a subsidiary acquired in and intercompany reorganization on or after January 23, 2006, see paragraphs (d) and (g) *Example 2* of this section.

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§ 1.1502-32 [Corrected]

■ 4. Section 1.1502-32 is amended by revising the text of paragraph (h)(8) to read as follows:

§ 1.1502-32 Investment adjustments.

* * * * *

(h) * * *

(8) * * * Paragraph (b)(5)(ii) *Example 6* of this section applies only with respect to determinations of the basis of the stock a subsidiary on or after January 23, 2006. For determinations of the basis of the stock of a subsidiary before January 26, 2006, see § 1.1502-32(b)(5)(ii) *Example 6* as contained in the 26 CFR part 1 edition revised as of April 1, 2005.

Guy R. Traynor,

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

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