arrangements have been made to ensure that the loss will not be used to offset the income of another person under the laws of a foreign country and that the taxpayer will be informed of any such foreign use of any portion of the loss. If dual consolidated losses of more than one taxable year are subject to the rules of this paragraph (g)(2)(vi)(B), the certifications for those years may be combined in a single document but each dual consolidated loss must be separately identified.

* * * * *

§ 1.1503–2T [Removed]

■ **Par. 21.** Section 1.1503–2T is removed.

■ **Par. 22.** Section 1.6038B–1 is amended by revising paragraph (b)(1)(ii) to read as follows:

§ 1.6038B–1 Reporting of certain transfers to foreign corporations.

* * * * *

(b) * * *

(1) * * *

(ii) *Reporting by corporate transferor.* For transfers by corporations in taxable years beginning before January 1, 2003, Form 926 must be signed by an authorized officer of the corporation if the transferor is not a member of an affiliated group under section 1504(a)(1) that files a consolidated Federal income tax return and by an authorized officer of the common parent corporation if the transferor is a member of such an affiliated group. For transfers by corporations in taxable years beginning after December 31, 2002, Form 926 shall be verified by signing the income tax return to which the form is attached.

* * * * *

■ **Par. 23.** Section 1.6038B–1T is amended by revising paragraphs (a) through (b)(3) to read as follows:

§ 1.6038B–1T Reporting of certain transactions to foreign corporations (Temporary).

(a) through (b)(3) [Reserved]. For further guidance, see § 1.6038B–1(a) through (b)(3).

* * * * *

PART 301—PROCEDURE AND ADMINISTRATION

■ **Par. 24.** The authority citation for part 301 continues to read, in part, as follows:

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

■ **Par. 25.** Section 301.7701–3 is amended by revising paragraph (c)(1)(ii) to read as follows:

§ 301.7701–3 Classification of certain business entities.

* * * * *

(c) * * * (1) * * *

(ii) *Further notification of elections.* An eligible entity required to file a Federal tax or information return for the taxable year for which an election is made under § 301.7701–3(c)(1)(i) must attach a copy of its Form 8832 to its Federal tax or information return for that year. If the entity is not required to file a return for that year, a copy of its Form 8832 (''Entity Classification Election'') must be attached to the Federal income tax or information return of any direct or indirect owner of the entity for the taxable year of the owner that includes the date on which the election was effective. An indirect owner of the entity does not have to attach a copy of the Form 8832 to its return if an entity in which it has an interest is already filing a copy of the Form 8832 with its return. If an entity, or one of its direct or indirect owners, fails to attach a copy of a Form 8832 to its return as directed in this section, an otherwise valid election under § 301.7701–3(c)(1)(i) will not be invalidated, but the non-filing party may be subject to penalties, including any applicable penalties if the Federal tax or information returns are inconsistent with the entity's election under § 301.7701–3(c)(1)(i). In the case of returns for taxable years beginning after December 31, 2002, the copy of Form 8832 attached to a return pursuant to this paragraph (c)(1)(ii) is not required to be a signed copy.

* * * * *

§ 301.7701–3T [Removed]

■ **Par. 26.** Section 301.7701–3T is removed.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 27.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 28.** In § 602.101, paragraph (b) is amended by removing the entry for ''1.170A–11T'' and revising the entry for ''1.170A–11'' to read as follows:

§ 602.101 OMB Control numbers.

* * * * *

(b) * * *

CFR part or section where identified and described	Current OMB control No.
* * * * *	
1.170A–11	1545–0123 1545–0074 1545–1868

CFR part or section where identified and described	Current OMB control No.
* * * * *	

Linda Kroening,

Deputy Commissioner for Services and Enforcement.

Approved: December 1, 2006.

Eric Solomon,

Acting Deputy Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. E6–20734 Filed 12–7–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9286]

RIN 1545–BE91

Railroad Track Maintenance Credit; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to temporary regulations.

SUMMARY: This document contains corrections to temporary regulations (TD 9286) that were published in the **Federal Register** on Friday, September 8, 2006 (71 FR 53009) providing rules for claiming the railroad track maintenance credit under section 45G of the Internal Revenue Code for qualified railroad track maintenance expenditures paid or incurred by a Class II railroad or Class III railroad and other eligible taxpayers during the taxable year.

DATES: This correction is effective September 8, 2006.

FOR FURTHER INFORMATION CONTACT: Winston H. Douglas, (202) 622–3110 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The correction notice that is the subject of this document is under section 45G of the Internal Revenue Code.

Need for Correction

As published, temporary regulations (TD 9286) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the temporary regulations (TD 9286), which was the subject of FR Doc. E6–14858, is corrected as follows:

1. On page 53010, column 1, in the preamble, under the paragraph heading ''*General Overview*'', first and second lines from the bottom of the second paragraph, the language ''assigned to such person by such a railroad.'' is corrected to read ''assigned to such person by a Class II railroad or a Class III railroad.''.

2. On page 53010, column 2, in the preamble, under the paragraph heading ''*Scope*'', first paragraph of the column, last line of the paragraph, the language ''of controlled groups under section 45G.'' is corrected to read ''of controlled groups under section 45G with respect to the RTMC.''.

3. On page 53010, column 2, in the preamble, under the paragraph heading ''*Eligible Taxpayer*'', fourth line of the first paragraph, the language ''defined in the temporary regulations as:'' is corrected to read ''defined as:''.

4. On page 53010, column 2, in the preamble, under the paragraph heading ''*Eligible Taxpayer*'', third line from the bottom of the first paragraph, the language ''railroad track assigned to the person for'' is corrected to read ''railroad track assigned to the taxpayer for''.

5. On page 53010, column 2, in the preamble, under the paragraph heading ''*Eligible Taxpayer*'', second through the sixth line from the bottom of the second paragraph, the language ''Price Index)). 49 CFR part 1201, subpart A, § 1–1(a). In general, Class III railroads have annual carrier operating revenues of $20 million or less after applying the railroad revenue deflator formula. 49'' is corrected to read ''Price Index)). See 49 CFR part 1201, subpart A, § 1–1(a). In general, Class III railroads have annual carrier operating revenues of $20 million or less after applying the railroad revenue deflator formula. See 49''.

6. On page 53010, column 3, in the preamble, under the paragraph heading ''*Eligible Taxpayer*'', second paragraph of the column, tenth to seventeenth lines, the language ''services are the transport of freight by rail, the loading and unloading of freight transported by rail, locomotive leasing or rental, and maintenance of a railroad's right-of-way (including vegetation control). Examples of services that are not railroad-related services are general business services,'' is corrected to read ''services include the transport of freight by rail, the loading and unloading of freight transported by rail, locomotive leasing or rental, and maintenance of a railroad's right-of-way (including vegetation control). Examples of services that are not railroad-related services include general business services,''.

7. On page 53011, column 1, in the preamble, under the paragraph heading ''*Determination of QRTME Paid or Incurred*'', second paragraph, third and fourth lines, the language ''to a taxpayer using an accrual method of accounting. In this case, paid or'' is corrected to read ''to taxpayers using an accrual method of accounting. For such taxpayers, paid or''.

8. On page 53011, column 1, in the preamble, under the paragraph heading ''*Determination of QRTME Paid or Incurred*'', second paragraph, fifteenth to twentieth lines, the language ''any such expenditures. The temporary regulations provide that reimbursements may consist of amounts paid either directly or indirectly to the taxpayer. Examples of indirect reimbursements are discounted freight shipping rates,'' is corrected to read ''any expenditures that would otherwise qualify as QRTME. The temporary regulations provide that reimbursements may consist of amounts paid either directly or indirectly to the taxpayer. Examples of indirect reimbursements include discounted freight shipping rates,''.

9. On page 53011, column 1, in the preamble, under the paragraph heading ''*Determination of QRTME Paid or Incurred*'', third paragraph, first line, the language ''If an eligible taxpayer (assignee) pays'' is corrected to read ''The IRS and Treasury believe that the statute is intended to allow suppliers and shippers to claim the credit for providing the funding for the QRTME performed on railroad track owned by, or leased to, a Class II railroad or Class III railroad. However, the suppliers and shippers may not have the necessary expertise to perform the repairs and improvements. The IRS and Treasury believe that these eligible taxpayers should be able to claim the credit for providing the funding to the extent that the Class II railroads and Class III railroads use such funding to perform the repairs and improvements to the track. Therefore, if an eligible taxpayer (assignee) pays''.

10. On page 53011, column 1, in the preamble, under the paragraph heading ''*Determination of QRTME Paid or Incurred*'', third paragraph, fifth line from the bottom of the column, the language ''paragraph, this QRTME would be'' is corrected to read ''paragraph, QRTME would be''.

11. On page 53011, column 2, in the preamble, under the paragraph heading ''*Assignment of Railroad Track Miles*'', first paragraph, first through fifth lines, the language ''For purposes of section 45G, the temporary regulations provide that an assignment of a mile of railroad track is not a legal transfer of title, but merely a designation. This designation must be'' is corrected to read ''The temporary regulations provide that an assignment of a mile of railroad track is not a legal transfer of title, but merely a designation made solely for purposes of section 45G. This designation must be''.

12. On page 53011, column 2, in the preamble, under the paragraph heading ''*Assignment of Railroad Track Miles*'', second paragraph, fifth line, the language ''track. Thus, if a Class II railroad or Class'' is corrected to read ''track. If a Class II railroad or Class''.

13. On page 53011, column 2, in the preamble, under the paragraph heading ''*Assignment of Railroad Track Miles*'', fourth paragraph, second line, the language ''that a taxpayer must file Form 8900,'' is corrected to read ''that a taxpayer file Form 8900,''.

14. On page 53011, column 3, in the preamble, last paragraph of the column, first line, the language ''The temporary regulations also'' is corrected to read ''The temporary regulations''.

15. On page 53012, column 1, in the preamble, first paragraph of the column, first line, the language ''assignment is properly reported.'' is corrected to read ''assignment is reported.''.

16. On page 53012, column 1, in the preamble, under the paragraph heading ''*Special Rules*'', first paragraph, second through fourth lines from the bottom of the paragraph, the language ''structure (railroad track, roadbed, bridges, and related track structures) and intangible assets to which the'' is corrected to read ''structure and intangible assets to which the''.

17. On page 53012, column 1, in the preamble, under the paragraph heading ''*Special Rules*'', second paragraph, sixth line, the language ''of the RTMC allowable. This reduction'' is corrected to read ''of the RTMC allowable. The basis reduction''.

18. On page 53012, column 1, in the preamble, under the paragraph heading ''*Special Rules*'', third paragraph, first line, the language ''The temporary regulations also'' is corrected to read ''The temporary regulations do not''.

19. On page 53012, column 2, in the preamble, under the paragraph heading ''*Special Rules*'', first paragraph of the column, fourth line to the last of the paragraph, the language ''legislative history does not refer to, any exception to this rule. Accordingly, pursuant to section 61 and the regulations under section 61, the owner of the tangible assets (for example, railroad track and roadbed) with respect to which the QRTME is paid or incurred by another

person that does not have a depreciable interest in those assets has gross income in the amount of that QRTME. However, the application of section 61 to QRTME paid or incurred with respect to eligible railroad track that is leased by a Class II railroad or Class III railroad raises a question as to under what circumstances the owner or lessee should recognize gross income with respect to QRTME. The IRS and Treasury Department request comments on this issue.'' is replaced to read ''legislative history does not refer to, any exception to this rule for an owner of tangible assets (for example, railroad track and roadbed) for the value of the repairs or improvements to such assets with respect to which QRTME is paid or incurred by another person that does not have a depreciable interest in such assets.''

LaNita Van Dyke,

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

[FR Doc. E6–20740 Filed 12–7–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF JUSTICE

28 CFR Part 61

[Docket No. USMS 101]

RIN 1105–AB13

Supplement to Justice Department Procedures and Council on Environmental Quality Regulations To Ensure Compliance With the National Environmental Policy Act

AGENCY: United States Marshals Service, Justice.

ACTION: Final rule.

SUMMARY: This rule adds Appendix E to part 61 of the Department of Justice's regulations to ensure better compliance with the National Environmental Policy Act (NEPA) of 1969. The rule supplements existing Department procedures and regulations of the Council on Environmental Quality and only pertains to internal procedures of the United States Marshals Service (USMS).

EFFECTIVE DATE: This rule is effective January 8, 2007.

FOR FURTHER INFORMATION CONTACT: Joseph Band, Office of Chief Counsel, United States Marshals Service, Washington, DC 20002; Telephone (202) 307–9722.

SUPPLEMENTARY INFORMATION:

Background

The USMS published a notice of proposed rulemaking on this subject on January 10, 2006 (71 FR 3248). The USMS received no comments before the comment period closed on March 21, 2006. Accordingly, this document finalizes the proposed rule without change.

Need for This Rule

This rule is needed so that the USMS can comply more fully with NEPA. Under NEPA, Federal agencies are required to implement internal procedures to ensure proper environmental consideration of proposed agency actions. The internal procedures promote the protection of the environment by minimizing the use of natural resources and by improving planning and decision-making processes to avoid excess pollution and environmental degradation.

Overview of the Rule's Standards

In complying with and implementing NEPA, the USMS shall make efforts to produce clear and concise NEPA documents and increase administrative efficiency.

All NEPA documents, specifically Environmental Assessments (EAs) and Environmental Impact Statements (EISs), shall be analytical, clear, and concise. The documents shall focus on significant issues and shall be presented in plain language and in the standard format outlined in Appendix E. In order to reduce paperwork, EISs shall be limited to approximately 150 pages, or in unusually complex matters, 300 pages. To avoid duplicative work, NEPA documents shall, whenever possible, be prepared jointly with State and local governments and shall adopt, incorporate by reference, or combine, existing USMS and other agencies' analyses, documentation, and/or other environmental reports.

The USMS shall make every effort to prevent and reduce delay. The USMS will follow the procedures outlined in the CEQ regulations including, (1) Integrating the NEPA process in the early stages of planning to ensure that decisions reflect environmental values, and to head off potential conflicts and/or delays, (2) emphasizing inter-agency cooperation before the environmental analysis and documentation is prepared, (3) ensuring the swift and fair resolution of any dispute by designating a lead agency for any inter-agency projects, (4) employing the scoping process to distinguish the significant issues requiring consideration in the NEPA analysis, (5) setting deadlines for the NEPA process as appropriate for individual proposed actions, (6) initiating the NEPA analysis as early as possible to coincide with the agency's presentation of a proposal by another party, and (7) using accelerated procedures as described in the CEQ regulations for legislative proposals.

Implementation of Changes

Through this rule, the USMS is revising its guidance, establishing policy, and assigning responsibilities for implementing the requirements of Section 102(2) of NEPA (42 U.S.C. 4321, *et seq.*), Executive Order 11514 of March 5, 1970, titled ''Protection and Enhancement of Environmental Quality,'' and regulations of the CEQ (40 CFR parts 1500–1508).

This rule is intended to (1) Enhance the USMS' ability to comply with NEPA, related legal authorities, and Executive Orders, (2) allow non-significant program actions to be exempt from the requirement to prepare an EA or EIS, (3) focus NEPA analysis upon major Federal actions significantly affecting the quality of the environment, (4) ensure public involvement in decision-making regarding environmental impact on local communities, and (5) reflect changes in the current USMS organizational structure. Development of these revised regulations was orchestrated by USMS headquarters and district office personnel who represent the USMS' collective technical and managerial expertise in environmental quality and NEPA compliance. In addition to revising part 61 by adding Appendix E, the USMS will provide guidance materials to district offices.

These changes affect USMS internal procedures. The USMS consulted with the CEQ during the development of this rule.

Regulatory Certifications

Executive Order 12866

This regulation has been drafted and reviewed in accordance with Executive Order 12866, ''Regulatory Planning and Review'' § 1 (b), Principles of Regulation. The Department of Justice has determined that this rule is not a ''significant regulatory action'' under Executive Order 12866, § 3(f), Regulatory Planning and Review; and, accordingly, this rule has not been reviewed by the Office of Management and Budget. This rule provides environmental benefits by ensuring the USMS compliance with NEPA to improve planning and avoid excess pollution and environmental degradation. Further, this rule affects