

## Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

### PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

#### § 39.13 [Amended]

■ 2. The Federal Aviation Administration (FAA) amends § 39.13 by adding the following new airworthiness directive (AD):

**2007–15–10 Boeing:** Amendment 39–15139. Docket No. FAA–2006–26441; Directorate Identifier 2006–NM–204–AD.

#### Effective Date

(a) This AD becomes effective September 4, 2007.

#### Affected ADs

(b) None.

#### Applicability

(c) This AD applies to all Boeing Model 747–100, 747–100B, 747–100B SUD, 747–200B, 747–200C, 747–200F, 747–300, 747–400, 747–400D, 747–400F, 747SR, and 747SP series airplanes, certificated in any category.

#### Unsafe Condition

(d) This AD results from loss of a No. 3 window in-flight. We are issuing this AD to detect and correct cracking in the fail-safe interlayer of certain No. 2 and No. 3 glass windows, which could result in loss of the window and consequent rapid loss of cabin pressure. Loss of the window could also result in crew communication difficulties or incapacitation of the crew.

#### Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

#### Inspection, Related Investigative Actions, and Corrective Action

(f) Inspect the No. 2 and No. 3 windows on the left and right sides of the airplane to determine their part numbers, and do all the applicable related investigative and corrective actions, by accomplishing all of the actions specified in the Accomplishment Instructions of Boeing Alert Service Bulletin 747–56A2012, dated August 24, 2006, as applicable. Do all of these actions at the compliance times specified in Tables 1, 2, and 3 of paragraph 1.E. of the service bulletin, as applicable, except as provided by paragraph (g) of this AD. A review of airplane maintenance records is acceptable in lieu of the inspection if the part numbers of the windows can be conclusively determined from that review. Repeat the related investigative and corrective actions thereafter at the interval specified in Table 2 or 3 of the service bulletin, as applicable.

## Exceptions to Compliance Times

(g) Where Tables 1, 2, and 3 of paragraph 1.E. of Boeing Alert Service Bulletin 747–56A2012, dated August 24, 2006, specify counting the compliance time from “. . . after the date on this service bulletin,” this AD requires counting the compliance time from the effective date of this AD. After replacing a discrepant window with a new window, do the initial detailed inspection of the new window at the applicable compliance time: (1) within 5,500 flight cycles after installing part number (P/N) 65B27042–( ) or 65B27043–( ), or (2) within 22,000 flight cycles after installing P/N 65B27046–( ) or 65B27047–( ).

## Alternative Methods of Compliance (AMOCs)

(h)(1) The Manager, Seattle Aircraft Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

## Material Incorporated by Reference

(i) You must use Boeing Alert Service Bulletin 747–56A2012, dated August 24, 2006, to perform the actions that are required by this AD, unless the AD specifies otherwise. The Director of the Federal Register approved the incorporation by reference of this document in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124–2207, for a copy of this service information. You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Renton, Washington, on July 18, 2007.

**Stephen P. Boyd,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. E7–14426 Filed 7–27–07; 8:45 am]

**BILLING CODE 4910–13–P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9336]

RIN 1545–BF82

#### Return Required by Subchapter T Cooperatives Under Section 6012

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations that prescribe the form that cooperatives must use to file their income tax returns. The regulations affect all cooperatives that are currently required to file an income tax return on either Form 1120, “U.S. Corporation Income Tax Return,” or Form 990–C, “Farmers’ Cooperative Association Income Tax Return.” The new form will help the IRS to properly identify cooperatives and differentiate between cooperatives that must file returns within 2½ months of the end of the taxable year and those that must file within 8½ months of the end of the taxable year.

**DATES:** *Effective date:* July 30, 2007.

*Applicability date:* These regulations apply to returns for taxable years ending on or after December 31, 2007. In addition, taxpayers may rely on the regulations in filing returns for taxable years ending on or after December 31, 2006, and before December 31, 2007.

**FOR FURTHER INFORMATION CONTACT:** Matthew P. Howard, (202) 622–4910 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

#### Background

Under existing regulations, all cooperatives to which subchapter T applies (Subchapter T cooperatives) are required to make income tax returns. Except in the case of farmers’ cooperatives, the regulations require that the return be made on Form 1120. In the case of farmers’ cooperatives, the regulations require that the return be made on Form 990–C.

Most taxpayers required to make an income tax return on Form 1120 must file their return on or before the 15th day of the third month following the close of the taxpayer’s taxable year (2½ month deadline). Some Subchapter T cooperatives that make their returns on Form 1120 are required to file by the 2½ month deadline, but others are not required to file their returns until the 15th day of the ninth month following the close of the taxpayer’s taxable year

(8½ month deadline). Because the Form 1120 does not distinguish between Subchapter T cooperatives that must file by the 2½ month deadline and those that must file by the 8½ month deadline, the IRS has difficulty determining which filing deadline applies and deciding whether to assert delinquency and failure to pay penalties in the case of returns filed after the 2½ month deadline.

### The Proposed Regulations

On July 29, 2005, a notice of proposed rulemaking was published in the **Federal Register** (REG-149436-04, 70 FR 43811). The proposed regulations in this notice of proposed rulemaking would require all Subchapter T cooperatives to make their income tax returns on Form 1120-C, "U.S. Income Tax Return for Cooperative Associations," or such other form as may be designated by the Commissioner.

One telephone comment was received in response to the notice of proposed rulemaking. The comment suggested that the new form might have a negative effect on consolidated filing. No public hearing was requested or held.

### Explanation of Provisions

After consideration of the comment, the proposed regulations are adopted as revised by this Treasury decision. The final regulations retain the requirement that Subchapter T cooperatives file their returns on Form 1120-C. The information that Subchapter T cooperatives will be required to provide on new Form 1120-C will assist taxpayers and the IRS in determining the appropriate filing deadline. Having that information will reduce the burden on taxpayers and will help the IRS avoid asserting penalties in inappropriate cases. Having all Subchapter T cooperatives make their income tax returns on Form 1120-C will also eliminate confusion over which form to file and will promote efficiency in addressing income tax issues common to Subchapter T cooperatives.

The IRS and Treasury Department believe that this requirement will not have a negative effect on consolidated filing. Subchapter T cooperatives may continue to file returns on behalf of consolidated groups by indicating their filing status on Form 1120-C and complying with the regulations under section 1502 of the Internal Revenue Code (Code).

This requirement to use Form 1120-C was proposed to be effective for taxable years ending on or after December 31, 2006. Because the regulations were not finalized before the

end of 2006, the final regulations delay the proposed effective date. The final regulations apply beginning with the first taxable year ending on or after December 31, 2007. Cooperatives may rely on the regulations as proposed, however, and file returns on Form 1120-C for taxable years ending on or after December 31, 2006, and before December 31, 2007.

### Effect on Other Documents

The following publications are removed as of July 30, 2007: Announcement 84-26, 1984-11 IRB 42. Announcement 84-37, 1984-17 IRB 32.

### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding this regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses.

### Drafting Information

The principal author of these regulations is Matthew P. Howard, Office of Assistant Chief Counsel (Procedure & Administration).

### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

### Adoption of Amendments to the Regulations

■ Accordingly, 26 CFR part 1 is amended as follows:

#### 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 \* \* \*

■ **Par. 2.** Section 1.6012-2 is amended by revising paragraph (f) to read as follows:

#### § 1.6012-2 Corporations required to make returns of income.

\* \* \* \* \*

(f) *Subchapter T cooperatives*—(1) *In general.* For taxable years ending on or after December 31, 2007, a cooperative

organization described in section 1381 (including a farmers' cooperative exempt from tax under section 521) is required to make a return, whether or not it has taxable income and regardless of the amount of its gross income, on Form 1120-C, "U.S. Income Tax Return for Cooperative Associations," or such other form as may be designated by the Commissioner.

(2) *Farmers' cooperatives.* For taxable years ending before December 31, 2007, a farmers' cooperative organization described in section 521(b)(1) (including a farmers' cooperative that is not exempt from tax under section 521) is required to make a return on Form 990-C, "Farmers' Cooperative Association Income Tax Return."

(3) *Effective/applicability date.* This paragraph (f) is applicable on or after July 30, 2007.

\* \* \* \* \*

**Kevin M. Brown,**

*Deputy Commissioner of Services and Enforcement.*

Approved: June 27, 2007.

**Eric Solomon,**

*Assistant Secretary of the Treasury (Tax Policy).*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9345]

RIN 1545-BA93

#### Section 1248 Attribution Principles

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations under section 1248 of the Internal Revenue Code (Code) that provide guidance for determining the earnings and profits attributable to stock of controlled foreign corporations (or former controlled foreign corporations) that are (were) involved in certain nonrecognition transactions. The final regulations are necessary in order to supplement and clarify existing guidance in the regulations under section 1248. The final regulations affect persons subject to the regulations under section 1248, as well as persons to which regulations under other Code provisions, such as section 367(b), apply to the extent that those regulations incorporate the principles of the section