

and \$10x of the FPRS obligation is treated as an obligation of U.S.C.. Under § 1.956–2(c)(1), FS is treated as holding the obligations of USP and U.S.C. that FS guaranteed. All of the exceptions to the definition of United States property contained in section 956 and § 1.956–2 apply to determine whether the obligations of USP and U.S.C. treated as held by FS constitute United States property. Accordingly, the obligation of U.S.C. is not United States property under section 956(c)(2)(F) and § 1.956–2(b)(1)(viii). The obligation of USP, however, is United States property within the meaning of section 956(c). Therefore, on the date the guarantee is made, FS is treated as holding United States property of \$60x.

*Example 4. (i) Facts.* USP, a domestic corporation, wholly owns FS, a controlled foreign corporation. USP has a 70% interest in the partnership profits of FPRS, a foreign partnership. A domestic corporation that is unrelated to USP and FS has a 30% interest in the partnership profits of FPRS. FPRS borrows \$100x from FS and makes a distribution of \$80x to USP. FPRS would not have made the distribution to USP but for the funding of FPRS by FS.

(i) *Result.* Because USP, a partner in FPRS, is related to FS within the meaning of section 954(d)(3), the exception in paragraph (c)(2) of this section does not apply. Moreover, an obligation of USP held by FS would be United States property. USP's attributable share of the FPRS obligation as determined under paragraph (c)(1) of this section in accordance with USP's interest in partnership profits is \$70x. Under paragraph (c)(3) of this section, USP's share of the FPRS obligation is the greater of (i) USP's attributable share of the obligation, \$70x, or (ii) the lesser of the amount of the distribution, \$80x, or the amount of the obligation, \$100x. For purposes of section 956, therefore, \$80x of the FPRS obligation is treated as an obligation of USP and is United States property within the meaning of section 956(c). Thus, on the date the loan is made, FS is treated as holding United States property of \$80x.

(d) *Limitation on a partner's indirect pledge or guarantee.* For purposes of section 956 and § 1.956–2(c), a controlled foreign corporation that is a partner in a partnership is not considered a pledgor or guarantor of the portion of an obligation of the partnership attributed to its partners that are United States persons under paragraph (c) of this section solely as a result of the attribution of a portion of the partnership's assets to the controlled foreign corporation under paragraph (b) of this section.

(e) *Obligations of a domestic partnership.* For purposes of section 956, an obligation of a domestic partnership is an obligation of a United States person. See section 956(c)(2)(L) for an exception from the treatment of such an obligation as United States property.

(f) *Effective/applicability dates.* (1) Paragraph (b) of this section applies to

taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE], and taxable years of United States shareholders in which or with which such taxable years end, with respect to property acquired on or after [DATE OF PUBLICATION OF FINAL RULE]. For purposes of this paragraph (f)(1), a deemed exchange of property pursuant to section 1001 on or after [DATE OF PUBLICATION OF FINAL RULE] constitutes an acquisition of the property on or after that date.

(2) Paragraph (c) of this section applies to taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE], and taxable years of United States shareholders in which or with which such taxable years end, with respect to obligations acquired, or pledges or guarantees entered into, on or after September 1, 2015. For purposes of this paragraph (f)(2), a significant modification, within the meaning of § 1.1001–3(e), of an obligation on or after September 1, 2015 constitutes an acquisition of the obligation on or after that date. Furthermore, for purposes of this paragraph (f)(2), a pledgor or guarantor is treated as entering into a pledge or guarantee when there is a significant modification, within the meaning of § 1.1001–3(e), of an obligation with respect to which it is a pledgor or guarantor on or after September 1, 2015.

(3) Paragraph (d) of this section applies to taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE], and taxable years of United States shareholders in which or with which such taxable years end, with respect to pledges or guarantees entered into on or after September 1, 2015. For purposes of this paragraph (f)(3), a pledgor or guarantor is treated as entering into a pledge or guarantee when there is a significant modification, within the meaning of § 1.1001–3(e), of an obligation with respect to which it is a pledgor or guarantor on or after September 1, 2015.

(4) Paragraph (e) of this section applies to taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE], and to taxable years of United States shareholders in which or with which such taxable years end, with respect to obligations held on or after

[DATE OF PUBLICATION OF FINAL RULE].

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–123640–15]

RIN 1545–BM86

#### Administration of Multiemployer Plan Participant Vote on an Approved Suspension of Benefits Under MPRA

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** Temporary regulations relating to the administration of a multiemployer plan participant vote on an approved suspension of benefits under the Multiemployer Pension Reform Act of 2014 (MPRA) are being issued in the Rules and Regulations section of this issue of the **Federal Register**. The text of those regulations also serves as the text of these proposed regulations.

**DATES:** Comments and requests for a public hearing must be received by November 2, 2015.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–123640–15), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG–123640–15), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG–123640–15).

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, the Department of the Treasury MPRA guidance information line at (202) 622–1559; concerning submission of comments, and the previously-scheduled hearing, Regina Johnson at (202) 317–6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

#### Paperwork Reduction Act

The collection of information contained in this notice of proposed

rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) and approved under OMB control number 1545–2260.

The collection of information in the paragraphs of these proposed regulations that cross-reference the temporary regulations that are being published elsewhere in this issue of the **Federal Register** is required for sponsor of a multiemployer defined benefit plan in critical and declining status to satisfy the criteria with respect to the required vote of plan participants and other eligible voters following approval of the plan sponsor's application for a suspension of benefits.

Comments on the collection of information 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. Comments on the collection of information should be received by November 2, 2015.

Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information;

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collections of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of service to provide information.

For the paragraphs of the proposed regulations that cross-reference the temporary regulations:

*Estimated total average annual reporting or recordkeeping burden:* 56 hours.

*Estimated average annual burden per recordkeeper:* 2 hours.

*Estimated number of recordkeepers:* 28.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it 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

Section 432(e)(9) of the Internal Revenue Code (Code), as amended by the Multiemployer Pension Reform Act of 2014 (MPRA), permits plan sponsors of certain multiemployer plans to reduce the plan benefits payable to participants and beneficiaries (referred to as a "suspension of benefits") if specified conditions are satisfied. Under section 432(e)(9)(H), no suspension of benefits may take effect prior to a vote of the participants of the plan with respect to the suspension. Section 432(e)(9)(H) requires that the vote be administered by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, within 30 days after approval of a suspension application.

On June 19, 2015, the Treasury Department and the Internal Revenue Service published temporary regulations (TD 9723) under section 432(e)(9) in the **Federal Register** (80 FR 35207) (June 2015 temporary regulations). The June 2015 temporary regulations provide general guidance regarding section 432(e)(9) and outline the requirements for a plan sponsor of a plan that is in critical and declining status to apply for a suspension of benefits and for the Treasury Department to begin processing such an application. A notice of proposed rulemaking cross-referencing the June 2015 temporary regulations (REG–102648–15) was also published in the same issue of the **Federal Register** (80 FR 35262) (June 2015 proposed regulations). Both the June 2015 temporary and proposed regulations reflect consideration of comments received in response to the Request for Information on Suspensions of Benefits under the Multiemployer Pension Reform Act of 2014 published in the **Federal Register** on February 18, 2015 (80 FR 8578).

A public hearing concerning the June 2015 proposed regulations is scheduled for September 10, 2015, beginning at 9:00 a.m. in the Amphitheater of the Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave. NW., Washington, DC Persons who wish to present oral

comments at that hearing regarding the June 2015 proposed regulations were required to submit written or electronic comments, including an outline of topics to be discussed, by August 18, 2015. Anyone who has submitted a timely request to speak at the September 10, 2015, hearing is also permitted to discuss these proposed regulations at that hearing (without submitting a separate request to discuss these proposed regulations at that hearing).

The June 2015 temporary and proposed regulations set forth many of the rules relating to the participant vote under section 432(e)(9)(H). However, neither the June 2015 temporary regulations nor the June 2015 proposed regulations provide detailed guidance on how the Treasury Department would administer the vote.

The temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** (August 2015 temporary regulations) amend the Income Tax Regulations (26 CFR part 1) relating to the previously reserved paragraph in the June 2015 temporary and proposed regulations regarding the participant vote required under section 432(e)(9)(H).

The August 2015 temporary regulations specify that a participant vote requires the completion of three steps. First, a package of ballot materials is distributed to eligible voters. Second, the eligible voters cast their votes and the votes are collected and tabulated. Third, the Treasury Department (in consultation with the PBGC and Labor Department) determines whether a majority of the eligible voters has voted to reject the proposed suspension. The August 2015 temporary regulations also provide guidance regarding the statement in opposition to the proposed suspension and allow for the publication of a model ballot. The text of the August 2015 temporary regulations also serves as the text of these proposed regulations.

### Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory impact 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.

The Regulatory Flexibility Act (RFA) (5 U.S.C. chapter 6) requires an agency to consider whether the rules it proposes will have a significant economic impact on a substantial number of small entities. In this case,

the IRS and the Treasury Department believe that the regulations likely would not have a “significant economic impact on a substantial number of small entities.” 5 U.S.C. 605. This certification is based on the fact that the number of small entities affected by this rule is unlikely to be substantial because it is unlikely that a substantial number of small multiemployer plans in critical and declining status will suspend benefits under section 432(e)(9). Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking has been submitted to the Chief Counsel of Advocacy of the Small Business Administration for comment on its impact on small business.

### Comments and Request for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the Treasury Department and the IRS as prescribed in this preamble under the “Addresses” heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available for public inspection and copying at [www.regulations.gov](http://www.regulations.gov) or upon request. **Please Note:** All comments will be made available to the public. Do not include any personally identifiable information (such as Social Security number, name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments may be posted on the Internet and can be retrieved by most Internet search engines.

If requested in writing by any person who timely submits written comments on these proposed regulations, a public hearing will be scheduled on the contents of this document. Comments and requests for a public hearing must be received by November 2, 2015. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**. Please see the “Background and Explanation of Provisions” heading for information regarding a public hearing scheduled for September 10, 2015, concerning the June 2015 proposed regulations regarding the Suspension of Benefits under the Multiemployer Pension Reform Act of 2014, during which individuals who have already requested to speak regarding those regulations may also address the substance of these proposed regulations.

### Contact Information

For general questions regarding these regulations, please contact the Department of the Treasury MPRA guidance information line at (202) 622-1559 (not a toll-free number). For information regarding a specific application for a suspension of benefits, please contact the Department of the Treasury at (202) 622-1534 (not a toll-free number).

### List of Subjects in 26 CFR Part 1

Income taxes, reporting and recordkeeping requirements.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be 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 1.432(e)(9)–1(h) is amended by revising paragraph (h)(2) and adding paragraphs (h)(3)(iv) and (v) to read as follows:

#### § 1.432(e)(9)–1 Benefit suspensions for multiemployer plans in critical and declining status.

\* \* \* \* \*

(h) \* \* \*

(2) *Participant vote.* [The text of the proposed amendments to § 1.432(e)(9)–1(h)(2) is the same as § 1.432(e)(9)–1T(h)(2) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(3) \* \* \*

(iv) *Statement in opposition to the proposed suspension.* [The text of the proposed amendments to § 1.432(e)(9)–1(h)(3)(iv) is the same as § 1.432(e)(9)–1T(h)(3)(iv) published elsewhere in this issue of the **Federal Register**.]

(v) *Model ballot.* [The text of the proposed amendments to § 1.432(e)(9)–1(h)(3)(v) is the same as § 1.432(e)(9)–1T(h)(3)(v) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

#### John M. Dalrymple,

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2015–21765 Filed 8–31–15; 11:15 am]

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## DEPARTMENT OF LABOR

### Mine Safety and Health Administration

#### 30 CFR Part 75

[Docket No. MSHA–2014–0019]

RIN 1219–AB78

#### Proximity Detection Systems for Mobile Machines in Underground Mines

**AGENCY:** Mine Safety and Health Administration, Labor.

**ACTION:** Proposed rule.

**SUMMARY:** The Mine Safety and Health Administration (MSHA) is proposing to require underground coal mine operators to equip coal hauling machines and scoops with proximity detection systems. Miners working near these machines face pinning, crushing, and striking hazards that result in accidents involving life threatening injuries and death. The proposal would strengthen protections for miners by reducing the potential for pinning, crushing, or striking accidents in underground coal mines. MSHA is also interested in the application of these proposed requirements to underground metal and nonmetal mines.

**DATES:** Comments must be received or postmarked by midnight Eastern Daylight Saving Time on December 1, 2015.

**ADDRESSES:** Submit comments and informational materials, identified by RIN 1219–AB78 or Docket No. MSHA–2014–0019, by one of the following methods:

- *Federal e-Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Email:* [zzMSHA-comments@dol.gov](mailto:zzMSHA-comments@dol.gov).

- *Fax:* 202–693–9441.

- *Mail:* MSHA, Office of Standards, Regulations, and Variances, 201 12th Street South, Suite 4E401, Arlington, Virginia 22209–3939.

- *Hand Delivery/Courier:* MSHA, 201 12th Street South, Suite 4E401, Arlington, Virginia, between 9:00 a.m. and 5:00 p.m. Monday through Friday, except Federal holidays. Sign in at the receptionist’s desk on the 4th floor.

**Instructions:** All submissions must include MSHA and RIN 1219–AB78 or Docket No. MSHA–2014–0019. Do not include personal information that you do not want publicly disclosed; MSHA will post all comments without change to <http://www.regulations.gov> and <http://www.msha.gov/currentcomments.asp>, including any personal information provided.