

- Consider an exemption for PHAs administering very few vouchers in Small Area FMR areas. The final rule exempts HUD Metropolitan FMR Areas with less than 2,500 HCVs under lease from using Small Area FMRs.

In addition to the above, the presentation of the information in HUD's proposed revision to its PHA administrative fee formula would also soften any adverse impact by providing additional resources to small PHAs generally.

7. Conclusion

The majority of lessors of residential real estate and a substantial fraction of PHAs are characterized as small. If there were disproportionate effects on small entities, then a more detailed regulatory flexibility analysis would be merited. However, after an in-depth discussion of the industry structure and impact of the rule, HUD cannot conclude that there is a significant and disproportionate impact on small entities. It is true that many lessors may receive income from voucher tenants but it is not likely that they will be adversely affected once market forces are accounted for. Small PHAs could face an additional administrative burden but HUD has offered solutions to significantly reduce any burden.

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BILLING CODE 4210-67-P

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9787]

RIN 1545-BK29

**Section 707 Regarding Disguised Sales, Generally; Correction**

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

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains corrections to final regulations (TD 9787) that were published in the **Federal Register** on Wednesday, October 5, 2016 (81 FR 69291). The final regulations are under sections 707 and 752 of the Internal Revenue Code.

**DATES:** This correction is effective November 16, 2016 and is applicable on and after October 5, 2016.

**FOR FURTHER INFORMATION CONTACT:** Deane M. Burke or Caroline E. Hay at (202) 317-5279 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9787) that are the subject of this correction are under sections 707 and 752 of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9787) contain 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 \* \* \*

Section 1.707-5 also issued under 26 U.S.C. 707(a)(2)(B).

**§ 1.707-5 [Amended]**

■ **Par. 2.** For each entry in § 1.707-5(f) in the “Section” column, remove the language in the “Remove” column from wherever it appears in the Example and add in its place the language in the “Add” column as set forth below:

Section	Remove	Add
Paragraph (f) <i>Example</i> 5(i) .....	2016	2017
Paragraph (f) <i>Example</i> 10(i) .....	2016	2017
Paragraph (f) <i>Example</i> 10(ii) .....	2016	2017
Paragraph (f) <i>Example</i> 11(i) .....	2016	2017
Paragraph (f) <i>Example</i> 11(ii) .....	2016	2017
Paragraph (f) <i>Example</i> 12(i) .....	2016	2017

**Martin V. Franks,**

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

[FR Doc. 2016-27515 Filed 11-15-16; 8:45 am]

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**DEPARTMENT OF THE INTERIOR**

**Bureau of Safety and Environmental Enforcement**

**30 CFR Part 250**

[Docket ID: BSEE-2016-0004; 17XE1700DX EEEE500000 EX1SF0000.DAQ000]

RIN 1014-AA32

**Oil and Gas and Sulfur Operations in the Outer Continental Shelf—Decommissioning Costs for Pipelines**

**AGENCY:** Bureau of Safety and Environmental Enforcement, Interior.

**ACTION:** Final rule.

**SUMMARY:** This rule amends Bureau of Safety and Environmental Enforcement (BSEE) regulations requiring lessees and owners of operating rights to submit summaries of actual decommissioning expenditures incurred for certain decommissioning activities related to oil and gas and sulfur operations on the Outer Continental Shelf (OCS). The amendment requires lessees, owners of operating rights, and right-of-way (ROW) holders to submit summaries of actual expenditures incurred for pipeline decommissioning activities.

**DATES:** This final rule becomes effective on December 16, 2016.

**FOR FURTHER INFORMATION CONTACT:**

Betty Cox, Regulatory Analyst, Regulations and Standards Branch at *regs@bsee.gov* or by telephone at (703) 787-1616.

**SUPPLEMENTARY INFORMATION:**

**BSEE's Functions and Authority**

BSEE promotes safety, protects the environment, and conserves natural resources through vigorous regulatory oversight and enforcement regarding certain activities on the OCS. BSEE derives its authority primarily from the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331-1356a. Congress enacted OCSLA in 1953, codifying Federal control over the OCS and authorizing the Secretary of the Interior (Secretary) to, among other things, regulate oil and natural gas exploration, development, and production operations and to grant rights-of-way on the OCS. The Secretary has authorized BSEE to perform certain of these functions, including overseeing decommissioning. (See 30 CFR 250.101; 30 CFR part 250, subpart Q.) To carry out its responsibilities, BSEE regulates exploration, development, and production of oil and natural gas and pipeline operations to enhance safety and environmental protection in a way that reflects advancements in