

SUMMARY: This document contains corrections to Treasury Decision 9901, which was published in the **Federal Register** on Wednesday, July 15, 2020. The Treasury Decision provided guidance regarding the deduction for foreign derived intangible income (FDII) and global intangible low-taxed income (GILTI).

DATES: These corrections are effective on September 29, 2020.

Applicability Date: For date of applicability, see § 1.250–1(b).

FOR FURTHER INFORMATION CONTACT: Brad McCormack at (202) 317–6911 and Lorraine Rodriguez at (202) 317–6726; (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9901) that are the subject of this correction are issued under section 250 of the Internal Revenue Code.

Need for Correction

As published July 15, 2020 (85 FR 43042), the final regulations (TD 9901) contain errors that need to be corrected.

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 * * *

■ **Par. 2.** Section 1.250–0 is amended by revising the entry for § 1.250(b)–6 (d)(3)(ii) to read as follows:

§ 1.250–0 Table of contents.

* * * * *

§ 1.250(b)–6 Related party transactions.

* * * * *

- (d) * * *
- (3) * * *

(ii) Rules for allocating the benefits provided by and price paid to the renderer of a related party service.

* * * * *

■ **Par. 3.** Section 1.250(b)–2 is amended by revising the second sentence of paragraph (d)(4)(ii)(C) to read as follows:

§ 1.250(b)–2 Qualified business asset investment (QBAI).

* * * * *

- (d) * * *

- (4) * * *
- (ii) * * *

(C) * * * Therefore, under paragraph (d)(3) of this section, DC’s dual use ratio with respect to the machine for the taxable year is 80 percent, which is DC’s depreciation with respect to the machine that is capitalized to inventory of Product A, the gross income or loss from the sale of which is taken into account in determining DC’s DEI for the taxable year (\$320x), divided by DC’s depreciation with respect to the machine that is capitalized to inventory, the gross income or loss from the sale of which is taken into account in determining DC’s income for Year 1 (\$400x). * * *

* * * * *

■ **Par. 4.** Section 1.250(b)–4 is amended by revising the paragraph heading for paragraph (d)(2)(iv)(B)(13) to read as follows:

§ 1.250(b)–4 Foreign-derived deduction eligible income (FDDEI) sales.

* * * * *

- (d) * * *
- (2) * * *
- (iv) * * *
- (B) * * *

(13) *Example 13: License of intangible property used in research and development of other intangible property*—* * *

* * * * *

■ **Par. 5.** Section 1.250(b)–5 is amended by revising the second sentence of paragraph (e)(2)(iii) to read as follows:

§ 1.250(b)–5 Foreign-derived deduction eligible income (FDDEI) services.

* * * * *

- (e) * * *
- (2) * * *
- (iii) * * *

If it cannot be determined whether the location is within or outside the United States (such as where the location of access cannot be reliably determined using the location of the IP address of the device used to receive the service), and the gross receipts from all services with respect to the business recipient are in the aggregate less than \$50,000 for the renderer’s taxable year, the operations of the business recipient that benefit from the service provided by the renderer are deemed to be located at the recipient’s billing address; otherwise, the operations of the business recipient that benefit are deemed to be located in the United States. * * *

* * * * *

■ **Par. 6.** Section 1.250(b)–6 is amended by:

■ 1. Revising the second sentence of paragraph (d)(4)(ii)(B)(2)(i).

■ 2. Revising the third sentence of paragraph (d)(4)(ii)(C)(2)(i).

The revisions read as follows:

§ 1.250(b)–6 Related party transactions.

* * * * *

- (d) * * *
- (4) * * *
- (ii) * * *
- (B) * * *
- (2) * * *
- (i) * * *

However, because 90 percent of R’s operations that will benefit from FC’s service are located outside the United States under paragraph (d)(3)(i) of this section, only 10 percent of the benefits of FC’s service are conferred on persons located within the United States. * * *

* * * * *

- (C) * * *
- (2) * * *

Accordingly, because 10 percent of R’s operations that will benefit from FC’s services are located within the United States, persons located within the United States are treated as paying \$10x (\$100x × 0.10) for FC’s services for purposes of applying the test in paragraph (d)(2)(ii) of this section.

* * * * *

§ 1.1502–12 [Corrected]

■ **Par. 7.** On page 43112, in the third column, amendatory instruction 18 under § 1.1502–12, is corrected to read as “Redesignating newly designated paragraphs (c)(7)(ii)(Q)(a) through (c) as paragraphs (c)(7)(ii)(Q)(1) through (3)”.

Crystal Pemberton,

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

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 272

[Docket ID: DOD–2019–OS–0007]

RIN 0790–AK51

Administration and Support of Basic Research by the Department of Defense

AGENCY: Under Secretary of Defense (Research and Engineering), Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: This final rule removes DoD’s regulation concerning the

administration and support of basic research by the Department of Defense, because the content of this part is internal to the Department. Therefore, this CFR part can be removed.

DATES: This rule is effective September 29, 2020.

FOR FURTHER INFORMATION CONTACT: Ms. Barbara Orlando, Basic Research Office, telephone 571-372-6413.

SUPPLEMENTARY INFORMATION: The DoD rule at 32 CFR part 272, last updated on September 23, 2005 (70 FR 55726), is internal to the DoD and does not need to be codified in the CFR. Based on a recommendation from the DoD Regulatory Reform Task Force, this part is removed. It has been determined that publication of this CFR part removal for public comment is impracticable, unnecessary, and contrary to public interest since it is based on removing DoD internal policies and procedures that are publicly available on the Department's issuance website. DoD internal guidance concerning administration and support of basic research by the DoD will continue to be updated and maintained in DoD Instruction 3210.1, "Administration and Support of Basic Research by the Department of Defense," last updated on October 15, 2018 (available at <http://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/321001p.pdf>).

This rule is not significant under Executive Order (E.O.) 12866, "Regulatory Planning and Review." Therefore, E.O. 13771, "Reducing Regulation and Controlling Regulatory Costs," does not apply.

List of Subjects in 32 CFR part 272

Grant programs-science and technology, Research.

PART 272—[REMOVED]

■ Accordingly, by the authority of 5 U.S.C. 301, 32 CFR part 272 is removed.

Dated: September 25, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG-2020-0606]

RIN 1625-AA00

Safety Zone; I-5 Bridge Construction Project, Columbia River, Vancouver, WA

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for certain waters of the Columbia River. This action is necessary to provide for the safety of life on these navigable waters around the Northbound I-5 Interstate Bridge at Columbia River Mile 106.5. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port Columbia River.

DATES: This rule is effective with actual notice from 12:01 a.m. on September 27, 2020, through September 29, 2020. It is effective without actual notice from September 29, 2020 through 11:59 p.m. on October 12, 2020.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>, type USCG-2020-0247 in the "SEARCH" box and click "SEARCH." To view the Click on Open Docket Folder on the line associated with this rule.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Lieutenant Commander Dixon Whitley, Waterways Management Division, Marine Safety Unit Portland, U.S. Coast Guard; telephone 503-240-9319, email msupdxwww@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
U.S.C. United States Code

II. Background Information and Regulatory History

The Oregon Department of Transportation notified the Coast Guard that they will be replacing bridge components at the south end of the Northbound I-5 Interstate Bridge over the Columbia River at River Mile 106.5 beginning September 6, 2020, through September 26, 2020. In response, on

June 22, 2020, the Coast Guard published a notice of proposed rulemaking (NPRM) titled Safety Zone; I-5 Bridge Construction Project, Columbia River, Vancouver, WA (85 FR 37397). There we stated why we issued the NPRM, and invited comments on our proposed regulatory action related to this construction project. During the comment period that ended July 22, 2020, we did not receive any relevant comments. On September 24, 2020, the Oregon Department of Transportation notified the Coast Guard that the work was not finished, and will not be completed until October 12, 2020. In response, the Coast Guard is publishing this Temporary final rule to further establish the temporary safety zone until all work is complete.

The Coast Guard is issuing this temporary rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because the Oregon Department of Transportation did not submit notice to the Coast Guard with sufficient time to publish an NPRM before the previous safety zone expires and the public is exposed to the dangers associated with this bridge construction work. Delaying the effective date of this rule to wait for a comment period to run would be impracticable and contrary to the public interest by inhibiting the Coast Guard's ability to protect mariners and vessels from the hazards associated with this bridge construction work.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. For the same reasons discussed in the preceding paragraph, waiting for a 30-day notice period to run would be impracticable and contrary to the public interest.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority in 46 U.S.C. 70034 (previously 33 U.S.C. 1231). The Captain of Port Sector Columbia River has determined that the potential hazards associated with the construction project would be a safety concern for anyone within the designated area of the I-5 bridge