

application for amendment is filed, has been constructed, and is proposed to have a total installed generating capacity of 10 MW or less—Exhibit E, F, and G under § 4.61; and

(5) For amendment of a license for a water power project that, at the time the application is filed, has been constructed and is proposed to have a total installed generating capacity of more than 10 MW—Exhibits A, B, C, D, E, F, and G under § 4.51.

\* \* \* \* \*

#### § 4.401 [Amended]

■ 10. In § 4.401, remove paragraph (f)(3).

### PART 5—INTEGRATED LICENSE APPLICATION PROCESS

■ 11. The authority citation for part 5 continues to read as follows:

**Authority:** 16 U.S.C. 792–828c, 2601–2645; 42 U.S.C. 7101–7352.

■ 12. In § 5.18, revise paragraph (a)(5)(i) to read as follows:

#### § 5.18 Application content.

(a) \* \* \*

(5) \* \* \*

(i) License for a minor water power project and a major water power project 10 MW or less: § 4.61 of this chapter (General instructions, initial statement, and Exhibits A, F, and G);

\* \* \* \* \*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9889]

RIN 1545–BO4

### Investing in Qualified Opportunity Funds; Correction

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

**ACTION:** Final regulations; correction.

**SUMMARY:** This document contains corrections to Treasury Decision 9889, which was published in the **Federal Register** on Monday, January 13, 2020. Treasury Decision 9889 contained final regulations under the Internal Revenue Code (Code) that govern the extent to which taxpayers may elect the Federal income tax benefits with respect to certain equity interests in a qualified opportunity fund (QOF).

**DATES:** These corrections are effective on August 5, 2021 and applicable on or after January 13, 2020.

**FOR FURTHER INFORMATION CONTACT:** Concerning section 1400Z–2 and these regulations generally, Harith J. Razaa, (202) 317–7006, or Kyle C. Griffin, (202) 317–4718, of the Office of Associate Chief Counsel (Income Tax and Accounting). These numbers are not toll-free numbers.

#### SUPPLEMENTARY INFORMATION:

##### Background

The final regulations (TD 9889) that are the subject of this correction are under section 1400Z–2 of the Code.

##### Need for Correction

As published on January 13, 2020 (85 FR 1866) the final regulations (TD 9889) contain errors that need to be corrected.

##### Correction of Publication

Accordingly, the final regulations (TD 9889) that are the subject of FR Doc. 2019–27846, appearing on page 1866 in the **Federal Register** of January 13, 2020, are corrected as follows:

1. On page 1897, second and third columns, removing the fourth through the sixth sentences of the last paragraph.

2. On page 1923, first column, the first full paragraph is corrected to read: “As set forth in the final regulations, the 62-month working capital safe harbor provides that, during the maximum 62-month covered period, (1) NQFP in excess of the five-percent NQFP limitation will not cause a trade or business to fail to qualify as a qualified opportunity zone business, and (2) gross income earned from the trade or business will be counted towards satisfying the 50-percent gross income requirement (each of clauses (1) and (2) function in a manner similar to the 31-month working capital safe harbor). In addition, the regulations provide additional flexibility for entities utilizing the working capital safe harbor. First, for start-up entities, the 62-month working capital safe harbor provides that, during the maximum 62-month covered period, if property of an entity that would otherwise be NQFP is treated as being a reasonable amount of working capital under the safe harbor, the entity satisfies the requirements of section 1400Z–2(d)(3)(A)(i) only during the working capital safe harbor period(s) with regard to such property. However, the final regulations make clear that such property is not and will never be qualified opportunity zone business property for any purpose. Second, for any eligible entity utilizing the working capital safe harbor, if tangible property is expected to be qualified opportunity

zone business property pursuant to the written plan, such tangible property is treated as qualified opportunity zone business during the working capital safe harbor test for purposes of section 1400Z–2(d)(3). Under the 62-month working capital safe harbor, intangible property purchased or licensed with working capital covered by the safe harbor, and pursuant to the plan submitted with respect to that safe harbor, will count towards the satisfaction of the 40-percent intangible property use test.”

3. On page 1926, third column, the second sentence of the first full paragraph, the language “In general, the final regulations permit a qualified opportunity zone business to treat tangible property for which working capital covered by the 31-month working capital safe harbor is expended as (i) used in the trade or business of the qualified opportunity zone business, and (ii) qualified opportunity zone business property throughout the period during which such working capital is covered by the safe harbor.” is corrected to read “In general, the 62-month working capital safe harbor under the final regulations provides that, during the maximum 62-month covered period, if property of a start-up entity that would otherwise be NQFP is treated as being a reasonable amount of working capital under the safe harbor, the start-up entity satisfies the requirements of section 1400Z–2(d)(3)(A)(i) only during the working capital safe harbor period(s) with regard to such property. However, the final regulations make clear that such property is not qualified opportunity zone business property for any other purpose. See part V.N.3.c of this Summary of Comments and Explanation of Revisions describing the 62-month working capital safe harbor set forth in § 1.1400Z2(d)–1(d)(3)(vi).”

4. On page 1926, third column, the first through the sixth line from the bottom of the first full paragraph, the language “capital covered by the 31-month working capital safe harbor are not, following the conclusion of the final safe harbor period, treated as tangible property for purposes of applying the 70-percent tangible property standard.” is corrected to read “capital covered by the 62-month working capital safe harbor are not, following the conclusion of the final safe harbor period, treated as qualified opportunity zone business property for purposes of applying the 70-percent tangible property standard. Because working capital is not tangible property, working capital covered by the 62-month safe harbor cannot be treated as qualified opportunity zone business

property under the proposed regulations or the final regulations except as provided in section 1.1400Z2(d)-1(d)(3)(vi)(D).”.

**Oluwafunmilayo P. Taylor,**  
*Federal Register Liaison, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9889]

RIN 1545-BO4

**Investing in Qualified Opportunity Funds; Correcting Amendment**

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

**ACTION:** Correcting amendments.

**SUMMARY:** This document contains corrections to Treasury Decision 9889, which was published in the **Federal Register** on Monday, January 13, 2020. Treasury Decision 9889 contained final regulations under the Internal Revenue Code (Code) that govern the extent to which taxpayers may elect the Federal income tax benefits with respect to certain equity interests in a qualified opportunity fund (QOF).

**DATES:** These corrections are effective on August 5, 2021 and applicable on or after January 13, 2020.

**FOR FURTHER INFORMATION CONTACT:** Concerning section 1400Z-2 and these regulations generally, Harith J. Razaa, (202) 317-7006, or Kyle C. Griffin, (202) 317-4718, of the Office of Associate Chief Counsel (Income Tax and Accounting). These numbers are not toll-free numbers.

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9889) that are the subject of this correction are under section 1400Z-2 of the Code.

**Need for Correction**

As published on January 13, 2020 (85 FR 19082) the final regulations (TD 9889) 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 1.1400Z2(d)-1 is amended by revising paragraphs (a)(3) and (d)(3)(vi)(D) to read as follows:

**§ 1.1400Z2(d)-1 Qualified opportunity funds and qualified opportunity zone businesses.**

\* \* \* \* \*

(a) \* \* \*

(3) *Self decertification of a QOF.* If a QOF chooses to decertify as a QOF, the self-decertification must be effected in such form and manner as may be prescribed by the Commissioner in IRS forms or instructions or in publications or guidance published in the Internal Revenue Bulletin (see §§ 601.601(d)(2) and 601.602 of this chapter.)

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(vi) \* \* \*

(D) *Safe harbor for working capital and property on which working capital is being expended—(1) Working capital for start-up businesses.* For start-up businesses utilizing the working capital safe harbor, if paragraph (d)(3)(v) of this section treats property of an entity that would otherwise be nonqualified financial property as being a reasonable amount of working capital because of compliance with the three requirements of paragraphs (d)(3)(v)(A) through (C) of this section, the entity satisfies the requirements of section 1400Z-2(d)(3)(A)(i) only during the working capital safe harbor period(s) for which the requirements of paragraphs (d)(3)(v)(A) through (C) of this section are satisfied; however such property is not qualified opportunity zone business property for any purpose.

(2) *Tangible property acquired with covered working capital.* For any eligible entity, if tangible property referred to in paragraph (d)(3)(v)(A) is expected to satisfy the requirements of section 1400Z-2(d)(2)(D)(i) as a result of the planned expenditure of working capital described in paragraph (d)(3)(v)(A), and is purchased, leased, or improved by the trade or business, pursuant to the written plan for the expenditure of the working capital, then the tangible property is treated as qualified opportunity zone business

property satisfying the requirements of section 1400Z-2(d)(2)(D)(i), during that and subsequent working capital periods the property is subject to, for purposes of the 70-percent tangible property standard in section 1400Z-2(d)(3).

\* \* \* \* \*

**Oluwafunmilayo P. Taylor,**  
*Federal Register Liaison, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

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**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[Docket Number USCG-2021-0574]

RIN 1625-AA00

**Safety Zone; Flagship League Mariners Ball Fireworks; Presque Isle Bay; Erie, PA**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a temporary safety zone for navigable waters in Presque Isle bay in Erie, PA. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards created by a fireworks display. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port Buffalo or a designated representative.

**DATES:** This rule is effective August 20, 2021, from 8:50 p.m. through 10 p.m.

**ADDRESSES:** To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>, type USCG-2021-0574 in the search box and click “Search.” Next, in the Document Type column, select “Supporting & Related Material.”

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email MST2 Anthony Urbana, U.S. Coast Guard Sector Buffalo via telephone 716-843-9342 or email [D09-SMB-SECBuffalo-WWM@uscg.mil](mailto:D09-SMB-SECBuffalo-WWM@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