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### Drafting Information

The principal authors of these regulations are Lara Banjanin and Tracy Vilecco of the Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

### Proposed Amendments to the Regulations

Accordingly, the Treasury Department and the IRS propose to amend 26 CFR part 1 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 \* \* \*  
\* \* \* \* \*  
Section 1.6011–12 also issued under 26 U.S.C. 6001 and 26 U.S.C. 6011 \* \* \*  
\* \* \* \* \*

■ **Par. 2.** Section 1.6011–12 is added to read as follows:

#### § 1.6011–12 Malta Personal Retirement Scheme Listed Transaction.

(a) *Malta personal retirement scheme listed transaction.* Transactions that are the same as, or substantially similar to, a transaction described in paragraph (b)(1) of this section are identified as listed transactions for purposes of § 1.6011–4(b)(2), except as provided in paragraph (b)(2) of this section. A transaction is not substantially similar unless it involves a retirement arrangement established in Malta and the taxpayer takes a Federal income tax return position based on the income tax treaty between the United States and Malta.

(b) *Malta personal retirement scheme transaction—(1) Transaction description.* A transaction is described in this paragraph (b)(1) if:

(i) A U.S. citizen or U.S. resident alien, directly or indirectly—

(A) Transfers (within the meaning of § 1.679–3 or § 1.684–2) cash or other property to a personal retirement scheme established under Malta's Retirement Pension Act of 2011 (a "Malta personal retirement scheme"), or

(B) Receives a distribution from a Malta personal retirement scheme, and

(ii) A U.S. citizen or U.S. resident alien described in paragraph (b)(1)(i) of

this section takes a position on a U.S. Federal income tax return that—

(A) Income earned or gain realized by the Malta personal retirement scheme is not includible on a current basis in income for U.S. Federal income tax purposes by reason of the income tax treaty between the United States and Malta, or

(B) A distribution received from the Malta personal retirement scheme attributable to earnings or gains that have not been included in income for U.S. Federal income tax purposes is exempt from U.S. taxation by reason of the income tax treaty between the United States and Malta.

(2) *Exception.* If a U.S. citizen or U.S. resident alien described in paragraph (b)(1) of this section takes a position described in paragraph (b)(1)(ii) of this section on a U.S. Federal income tax return filed before June 6, 2023, such U.S. citizen or U.S. resident alien will not be treated as participating in a listed transaction under this section for the taxable year to which the U.S. Federal income tax return relates provided that—

(i) Such U.S. citizen or U.S. resident alien (the transferor) established the Malta personal retirement scheme with a transfer (or rollover) of a pension or other retirement arrangement established in a country other than Malta or the United States, and in compliance with the tax laws of such country;

(ii) The transferor was, when such pension or retirement arrangement was established and such rollover occurred, a resident of the other country under that country's tax law, including under Article 4 (Residency) of such country's income tax treaty with the United States, if applicable; and

(iii) The transferor's contributions to such pension or retirement arrangement consisted solely of cash in an amount that bears a relationship to the transferor's income earned from the performance of personal services.

The preceding sentence does not apply, however, to any U.S. citizen or U.S. resident alien who take a position described in paragraph (b)(1)(ii) of this section on a U.S. Federal income tax return filed on or after June 6, 2023.

(3) *Applicability date—(i) In general.* This section identifies transactions that are the same as, or substantially similar to, the transaction described in paragraph (b)(1) of this section, except as provided in paragraph (b)(2) of this section, as listed transactions for purposes of § 1.6011–4(b)(2) and sections 6111 and 6112 effective [DATE OF PUBLICATION OF THE FINAL

#### REGULATIONS IN THE FEDERAL REGISTER].

(ii) *Obligations of participants with respect to prior periods.* Pursuant to § 1.6011–4(d) and (e), taxpayers who have filed a tax return (including an amended return) reflecting their participation in these transactions prior to [DATE OF PUBLICATION OF THE FINAL REGULATIONS IN THE FEDERAL REGISTER], who have not otherwise finalized a settlement agreement with the Internal Revenue Service with respect to the transaction, must disclose the transactions as provided in § 1.6011–4(d) and (e) provided that the period of limitations for assessment of tax for any taxable year in which the taxpayer participated in the transaction has not ended on or before [DATE OF PUBLICATION OF THE FINAL REGULATIONS IN THE FEDERAL REGISTER].

(iii) *Obligations of material advisors with respect to prior periods.* Material advisors defined in § 301.6111–3(b) of this chapter who have previously made a tax statement with respect to a transaction described in paragraph (b)(1) of this section, except as provided in paragraph (b)(2) of this section, have disclosure and list maintenance obligations as described in §§ 301.6111–3 and 301.6112–1 of this chapter, respectively. Notwithstanding § 301.6111–3(b)(4)(i) and (iii) of this chapter, material advisors are required to disclose only if they have made a tax statement on or after the date that is six years before the date the regulations are published as final regulations in the *Federal Register*.

Douglas W. O'Donnell,

Deputy Commissioner for Services and Enforcement.

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#### DEPARTMENT OF HOMELAND SECURITY

#### Coast Guard

#### 33 CFR Part 100

[Docket Number: USCG–2023–0308]

RIN 1625–AA08

#### Special Local Regulation; Henderson Bay, Henderson Harbor, NY

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard is proposing to establish a permanent special local regulation for certain waters of

Henderson Bay in Henderson Harbor, NY, in support of the Christmas in July festival. This action is necessary to provide for the safety of life on these navigable waters near Henderson Bay, Henderson Harbor, NY, during a boat parade. This proposed rulemaking would prohibit persons and vessels from entering, transiting through, anchoring, blocking, or loitering within the event area adjacent to the city of Henderson Harbor, unless authorized by the Captain of the Port Buffalo or a designated representative. We invite your comments on this proposed rulemaking.

**DATES:** Comments and related material must be received by the Coast Guard on or before July 7, 2023.

**ADDRESSES:** You may submit comments identified by docket number Docket: USCG-2023-0308 using the Federal Decision-Making Portal at <https://www.regulations.gov>. See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this proposed rulemaking, call or email MST2 Andrew Nevenner, Waterways Management Division MSD Massena, U.S. Coast Guard; telephone 315-769-5483, email [SMB-MSDMassena-WaterwaysManagement@uscg.mil](mailto:SMB-MSDMassena-WaterwaysManagement@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, Purpose, and Legal Basis**

On March 16, 2023, the Henderson Business and Community Council notified the Coast Guard of an intention to conduct the "Christmas in July" boat parade in Henderson Bay. Christmas in July is an annual event in July occurring on or near the last weekend of July. The special local regulation area will occur from 5 p.m. through 9 p.m. and cover all waters within a moving zone that encompasses a 50 yard buffer zone ahead of the lead vessel, 50 yards astern of the last participating vessel, and 50 yards on each side of the parade vessels as it travels the parade route. The parade will start at Waterside Tavern dock at point 43°51'44" N 76°12'07.3" W and running north adjacent to the shore to point 43°52'12.2" N 76°11'32.7" W,

continuing northwest to point 43°53'40.9" N 76°12'40.6" W and running south adjacent to the shore to point 43°51'47.2" N 76°14'08.3" W, ending at the starting position at point 43°51'44" N 76°12'07.3" W. The event is expected to draw a high concentration of vessels to Henderson Bay along the proposed parade route. The Coast Guard is establishing this special local regulation to minimize any potential impact to recreational boaters in the area. This regulation is necessary to ensure the safety of individuals, property, and the marine environment on the navigable waters of Henderson Bay during this event.

The Coast Guard is proposing this rulemaking under authority in 46 U.S.C. 70041.

**III. Discussion of Proposed Rule**

The COTP is proposing to establish a permanent special local regulation for the annual "Christmas in July" festival on the final weekend of July. The special local regulation area will occur from 5 p.m. through 9 p.m. and cover all waters within a moving zone that encompasses a 50 yard buffer zone ahead of the lead vessel, 50 yards astern of the last participating vessel, and 50 yards on each side of the parade vessels as it travels the parade route. The parade will start at Waterside Tavern dock at point 43°51'44.0" N 76°12'07.3" W and running north adjacent to the shore to point 43°52'12.2" N 76°11'32.7" W, continuing northwest to point 43°53'40.9" N 76°12'40.6" W and running south adjacent to the shore to point 43°51'47.2" N 76°14'08.3" W, ending at the starting position at point 43°51'44.0" N 76°12'07.3" W. The duration of the special local regulation area is intended to ensure the safety of vessels and these navigable waters before, during, and after the scheduled 5 p.m. through 9 p.m. event. Spectators may contact the Coast Guard Patrol Commander to request permission to pass through the regulated area. If permission is granted, spectators must pass directly through the regulated area at a safe speed without loitering. The regulatory text we are proposing appears at the end of this document.

**IV. Regulatory Analyses**

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders, and we discuss First Amendment rights of protestors.

*A. Regulatory Planning and Review*

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This NPRM has not been designated a "significant regulatory action," under Executive Order 12866. Accordingly, the NPRM has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the size, location, and duration of the special local regulation. Vessel traffic would be able to safely transit around this special local regulation, which would impact a small-designated area of Henderson Bay. Moreover, the Coast Guard would issue a Local Notice to Mariners about the areas, and the rule would allow vessels to seek permission to enter the areas.

*B. Impact on Small Entities*

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601-612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities.

While some owners or operators of vessels intending to transit the special local regulation may be small entities, for the reasons stated in section IV.A above, this proposed rule would not have a significant economic impact on any vessel owner or operator.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), we want to assist small entities in understanding this proposed rule. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER**

**INFORMATION CONTACT** section. The Coast Guard will not retaliate against small entities that question or complain about this proposed rule or any policy or action of the Coast Guard.

#### C. Collection of Information

This proposed rule would not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

#### D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132 (Federalism), if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this proposed rule under that Order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

Also, this proposed rule does not have tribal implications under Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments) because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes. If you believe this proposed rule has implications for federalism or Indian tribes, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

#### E. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this proposed rule would not result in such an expenditure, we do discuss the potential effects of this proposed rule elsewhere in this preamble.

#### F. Environment

We have analyzed this proposed rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This proposed rule involves a special local regulation that would prohibit persons and vessels from transiting the regulated area during the parade. Normally such actions are categorically excluded from further review under paragraph L61 of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

#### G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places, or vessels.

#### V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

**Submitting comments.** We encourage you to submit comments through the Federal Decision-Making Portal at <https://www.regulations.gov>. To do so, go to <https://www.regulations.gov>, type USCG–2023–0308 in the search box and click “Search.” Next, look for this document in the Search Results column, and click on it. Then click on the

Comment option. If you cannot submit your material by using <https://www.regulations.gov>, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

**Viewing material in docket.** To view documents mentioned in this proposed rule as being available in the docket, find the docket as described in the previous paragraph, and then select “Supporting & Related Material” in the Document Type column. Public comments will also be placed in our online docket and can be viewed by following instructions on the <https://www.regulations.gov> Frequently Asked Questions web page. Also, if you click on the Dockets tab and then the proposed rule, you should see a “Subscribe” option for email alerts. The option will notify you when comments are posted, or a final rule is published.

We review all comments received, but we will only post comments that address the topic of the proposed rule. We may choose not to post off-topic, inappropriate, or duplicate comments that we receive.

**Personal information.** We accept anonymous comments. Comments we post to <https://www.regulations.gov> will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

#### List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, Waterways.

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 100 as follows:

#### PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

- 1. The authority citation for part 100 continues to read as follows:

**Authority:** 46 U.S.C. 70041; 33 CFR 1.05–1.

- 2. In § 100.901, amend Table [1] by adding “Christmas in July” to read as follows:

#### § 100.901 Great Lakes annual marine events.

\* \* \* \* \*

TABLE 1

\* \* \* \* \*

**Sector Buffalo, NY:**  
**Fireworks by Grucci**

*Sponsor:* New York Power Authority.

*Date:* Last weekend of July.

*Location:* Lake Ontario, Wright's Landing/Oswego Harbor, NY within an 800 foot radius of the fireworks launching platform located in approximate position 43°28'10" N 076°31'04" W.

**Flagship International Kilo Speed Challenge**

*Sponsor:* Presque Isle Powerboat Racing Association.

*Date:* 3rd or 4th weekend of June.

*Location:* That portion of Lake Erie, Presque Isle Bay, south of a line drawn from 42°08'54" N 080°05'42" W; to 42°07' N 080°21' W will be a regulated area. That portion of Lake Erie, Presque Isle bay, north of a line drawn from 42°08'54" N 080°05'42" W; to 42°07' N 080°21' W will be a "caution area". All vessels transiting the caution area will be operated at bare steerageway, keeping the vessel's wake at a minimum, and will exercise a high degree of caution in the area. The bay entrance will not be effected.

**Flagship International Offshore Challenge**

*Sponsor:* Presque Isle Powerboat Racing Association.

*Date:* 3rd or 4th weekend of June.

*Location:* That portion of Lake Erie, Presque Isle Bay, Entrance Channel, and the enclosed area from Erie Harbor Pier Head Light (LLNR 3430) northeast to 42°12'48" N 079°57'24" W, thence south to shore just east of Shades Beach.

**Friendship Festival Airshow**

*Sponsor:* Friendship Festival.

*Date:* 4th of July holiday.

*Location:* That portion of the Niagara River and Buffalo. Harbor from:

Latitude	Longitude
42°54.4' N .....	078°54.1' W, thence to
42°54.4' N .....	078°54.4' W, thence along the International Border to
42°52.9' N .....	078°54.9' W, thence to
42°52.5' N .....	078°54.3' W, thence to
42°52.7' N .....	078°53.9' W, thence to
42°52.8' N .....	078°53.8' W, thence to
42°53.1' N .....	078°53.6' W, thence to
42°53.2' N .....	078°53.6' W, thence to
42°53.3' N .....	078°53.7' W, thence along the breakwall to
42°54.4' N .....	078°54.1' W.

**NFBRA Red Dog Kilo Time Trials**

*Sponsor:* Niagara Frontier Boat Racing Association.

*Date:* 4th or 5th weekend of September.

*Location:* That portion of the Niagara River, Tonawanda Channel, between Tonawanda Channel Buoy 31 to approximately 1/2 mile southwest of Twomile Creek along a line drawn from 43°00'45" N 078°55'06" W to 43°00'28" N 078°54'56" W (Sipco Oil Company).

**Sodus Bay 4th of July Fireworks**

*Sponsor:* Sodus Bay Historical Society.

*Date:* 4th of July holiday.

*Location:* Lake Ontario, within a 500 foot radius around a barge anchored in approximate position 43°15.73' N 076°58.23' W, in Sodus Bay.

**Tallship Erie**

*Sponsor:* Erie Maritime Programs, Inc.

*Date:* 1st or 2nd weekend of July.

*Location:* That portion of Lake Erie, Presque Isle Bay Entrance Channel and Presque Isle Bay from:

Latitude	Longitude
42°10' N .....	080°03' W, thence to
42°08.1' N .....	080°07' W, thence to
42°07.9' N .....	080°06.8' W, thence east along the shoreline and structures to:
42°09.2' N .....	080°02.6' W, thence to 080°03' W.
42°10' N.	

**Thomas Graves Memorial Fireworks Display**

*Sponsor:* Port Bay Improvement Association.

*Date:* 1st or 2nd weekend of July.

*Location:* That portion of Lake Ontario, Port Bay Harbor, NY within a 500 ft radius surrounding a barge anchored in approximate position 43°17'46" N 076°50'02" W.

**Thunder Island Offshore Challenge**

*Sponsor:* Thunder on the Water Inc.

*Date:* 3rd or 4th weekend of June.

*Location:* That portion of Lake Ontario, Oswego Harbor from the West Pier Head Light (LLNR 2080) north to:

Latitude	Longitude
43°29'02" N .....	076°32'04" W, thence to
43°26'18" N .....	076°39'30" W, thence to

TABLE 1—Continued

43°24'55" N ..... 076°37'45" W, thence along the shoreline to the West Pier Head Light (LLNR 2080).

We Love Erie Days Fireworks

Sponsor: We Love Erie Days Festival, Inc.

Date: 3rd weekend of August.

Location: That portion of Lake Erie, Erie Harbor, within a 300 foot radius, surrounding the Erie Sand and Gravel Pier, located in position 42°08'16" N 080°05'40" W.

Christmas in July

Sponsor: Henderson Business and Community Council.

Date: Final weekend of July.

Location: The special local regulation area will cover all waters within a moving zone that encompasses a 50 yard buffer zone ahead of the lead vessel, 50 yards astern of the last participating vessel, and 50 yards on each side of the parade vessels as it travels the parade route starting at point 43°51'44" N 76°12'07.3" W and running north adjacent to the shore to point 43°52'12.2" N 76°11'32.7" W, continuing northwest to point 43°53'40.9" N 76°12'40.6" W and running south adjacent to the shore to point 43°51'47.2" N 76°14'08.3" W, ending at the starting position at point 43°51'44.0" N 76°12'07.3" W.

	Latitude	Longitude
43°51'44" N .....	076°12'07.3" W, thence to	
43°52'12.2" N .....	076°11'32.7" W, thence to	
43°53'40.9" N .....	076°14'08.3" W, thence along the shoreline to end at the starting position.	

<sup>1</sup> All coordinates listed in Table 100.901 reference Datum NAD 1983.

<sup>2</sup> As noted in paragraph (a)(3) of this section, the enforcement dates and times for each of the listed events in this table are subject to change. In the event of a change, or for enforcement periods listed that do not allow a specific date or dates to be determined, the Captain of the Port will provide notice to the public by publishing a Notice of Enforcement in the **Federal Register**, as well as, issuing a Broadcast Notice to Mariner.

May 30, 2023.

Mark I. Kuperman,

Captain, U.S. Coast Guard, Captain of the Port Buffalo.

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