

Designations and Reporting Points, dated August 17, 1995, and effective September 16, 1995, is amended as follows:

*Paragraph 6005 Class E airspace areas extending upward from 700 feet above the surface of the earth.*

\* \* \* \* \*

ASO FLE5 Chiefland, FL [New]

Chiefland White Farms Airport, FL  
(Lat. 29°48'43"N, long. 82°22'30"W)

That airspace extending upward from 700 feet above the surface within a 6.3-mile radius of White Farms Airport, excluding that airspace within the Cross City, FL, Class E airspace area.

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Issued in College Park, Georgia, on March 29, 1996.

Wade T. Carpenter,

*Acting Manager, Air Traffic Division,  
Southern Region.*

[FR Doc. 96-9370 Filed 4-15-96; 8:45 am]

BILLING CODE 4910-13-M

## 14 CFR Part 71

[Airspace Docket No. 95-AGL-16]

### Proposed Realignment of Jet Route J-522

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This proposed rule would alter Jet Route J-522 by extending the route from Green Bay, WI, to Brainerd, MN. This proposed action is necessary to provide a means for aircraft to transition from an en route environment to the standard terminal arrival route (STAR) serving the Minneapolis-St. Paul International Airport.

**DATES:** Comments must be received on or before May 30, 1996.

**ADDRESSES:** Send comments on the proposal in triplicate to: Manager, Air Traffic Division, AGL-500, Docket No. 95-AGL-16, Federal Aviation Administration, O'Hare Lake Office Center, 2300 East Devon Avenue, Des Plaines, IL 60018.

The official docket may be examined in the Rules Docket, Office of the Chief Counsel, Room 916, 800 Independence Avenue, SW., Washington, DC, weekdays, except Federal holidays, between 8:30 a.m. and 5:00 p.m.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

**FOR FURTHER INFORMATION CONTACT:** Patricia P. Crawford, Airspace and Rules Division (ATA-400), Office of Airspace

Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267-3075.

### SUPPLEMENTARY INFORMATION:

#### Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made:

"Comments to Airspace Docket No. 95-AGL-16." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

#### Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Airspace Management, Attention: Airspace and Rules Division, ATA-400, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-3075. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should call the FAA's Office of Rulemaking, (202) 267-9677 for a copy of Advisory Circular No. 11-2A, which describes the application procedure.

#### The Proposal

The FAA is proposing an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) to alter Jet

Route J-522 by extending the route from Green Bay, WI, to Brainerd, MN. A new STAR was developed to serve the Minneapolis-St. Paul International Airport. Extending J-522 would provide a published route for aircraft to transition from an en route environment to a terminal arrival route. Jet routes are published in paragraph 2004 of FAA Order 7400.9C dated August 17, 1995, and effective September 16, 1995, which is incorporated by reference in 14 CFR 71.1. The jet route listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

#### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

#### The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

### PART 71—[AMENDED]

1. The authority citation for part 71 is revised to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 14 CFR 11.69.

#### § 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9C, Airspace Designations and Reporting Points, dated August 17, 1995, and effective September 16, 1995, is amended as follows:

*Paragraph 2004—Jet Routes*

\* \* \* \* \*

J-522 [Revised]

From Brainerd, MN; Green Bay, WI; Traverse City, MI; Au Sable, MI; Toronto,

ON, Canada; INT Toronto 099° and Hancock, NY, 302° radials; Hancock; to Kingston, NY. The airspace within Canada is excluded.

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Issued in Washington, DC, on April 9, 1996.

Harold W. Becker,

*Acting Program Director for Air Traffic  
Airspace Management.*

[FR Doc. 96-9371 Filed 4-15-96; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 25

[PS-4-96]

RIN 1545-AU12

#### **Sale of Residence From Qualified Personal Residence Trust**

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

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains a proposed regulation permitting the reformation of a personal residence trust or a qualified personal residence trust in order to comply with the applicable requirements for such trusts. The proposed regulation also clarifies that the governing instruments of such trusts must prohibit the sale of a residence held in the trust to the grantor of the trust, the grantor's spouse, or an entity controlled by the grantor or the grantor's spouse. The proposed regulation will affect trusts created after the proposed effective date.

**DATES:** Written comments and outlines of oral comments to be presented at the public hearing scheduled for July 24, 1996, must be received by July 15, 1996.

**ADDRESSES:** Send submissions to: CC:DOM:CORP:R (PS-4-96), room 5228, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (PS-4-96), Courier's Desk Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224. The public hearing will be held in the IRS auditorium, Seventh Floor, 7400 Corridor, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Dale Carlton, (202) 622-3090; concerning submissions and the

hearing, Evangelista Lee, (202) 622-7180 (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).

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, T:FP, Washington, DC 20224. Comments on the collection of information should be received by June 17, 1996.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collection of information is in § 25.2702-5. This information is required by the IRS to ensure compliance with the regulatory requirements. The likely respondents are individuals or households. Responses to the collection of information are required to obtain favorable gift tax treatment.

Books or records relating to this 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.

*Estimated total annual reporting/recording burden:* 625 hours. The estimated annual burden per respondent varies from 3 hours to 3.25 hours depending on individual circumstances with an estimated average of 3.1 hours.

*Estimated number of respondents:* 200.

*Estimated annual frequency of responses:* 2.

##### **Background**

This document proposes to amend the Gift Tax Regulations (26 CFR part 25) under section 2702 relating to "personal residence trusts" and "qualified personal residence trusts."

Section 2702(a) provides special valuation rules for determining the value of a gift when a transfer is made in trust to or for the benefit of a member of the donor's family and the donor

retains an interest in the trust. Under section 2702(a)(2)(A), the value of any retained interest that is not a "qualified interest" is treated as zero. Therefore, the value of the gift is equal to the full value of the property at the time of the transfer. In contrast, the value of a retained interest that is a qualified interest is determined under the valuation tables prescribed pursuant to section 7520. Section 2702(b) provides that a qualified interest means an annuity interest, a unitrust interest, or a remainder interest after either an annuity or unitrust interest.

Congress recognized that many people desire to maintain the family ownership of their home and pass ownership on to future generations, while retaining its use for a period of time. The annuity and unitrust requirements are not, however, conducive to the transfer of a residence. Accordingly, section 2702(a)(3)(A)(ii) provides an exception to the annuity and unitrust requirements. Under this limited exception, the grantor's retained interest need not be in one of these forms, but rather can take the form of a right to the use and occupancy of the residence. Because this is an exception to the general rule of section 2702, a grantor may take into account not only the value of the retained interest, but also any contingent reversionary interest, in determining the amount of the gift to the remainderman.

The requirements of section 2702(a)(3)(A)(ii) are satisfied by a personal residence trust and a qualified personal residence trust as set forth in the regulations. The governing instruments of these trusts must prohibit the trust from holding, for the original duration of the term interest, assets other than one residence to be used or held for the use as a personal residence of the term holder. In addition, a qualified personal residence trust can hold limited amounts of cash for certain specified purposes such as the payment of operating expenses and expenses for the improvement or replacement of the residence, and the trustee is permitted to sell the residence during the original duration of the term interest, if certain requirements are satisfied.

If the trust does not qualify as a personal residence trust or a qualified personal residence trust, the grantor's retained interest is valued at zero under section 2702. This is the result even where the lack of compliance with the requirements in the regulations is the result of error or poor advice. As mistakes are discovered at the time the gift tax return is prepared, the proposed regulation permits reformation of the