

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 the comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 95-AWP-40." 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 Operations Branch, Air Traffic Division, at 15000 Aviation Boulevard, Lawndale, California 90261, 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

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Operations Branch, P.O. Box 92007, Worldway Postal Center, Los Angeles, California 90009. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A, which describes the application procedures.

The Proposal

The FAA is considering an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) by establishing Class E airspace area at Coolidge, AZ. The development of a GPS and VOR/DME SIAP at Coolidge Municipal Airport has made this proposal necessary. The intended effect of this proposal is to provide adequate Class E airspace for aircraft executing the GPS RWY 23 and VOR/DME RWY 05 SIAP at Coolidge Municipal Airport, Coolidge, AZ. Class E airspace designations for airspace areas extending upward from 700 feet or more above the surface of the earth are published in Paragraph 6005 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 Class E airspace designation listed in this document would be published subsequently in this 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. Therefore, this proposed regulation—(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 10034; 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 proposed rule would 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 14 CFR part 71 continues 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 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

AWP AZ E5 Coolidge, AZ [New]

Coolidge Municipal Airport, AZ.

(Lat. 32°56'00" N, long. 111°25'32" W)

That airspace extending upward from 700 feet above the surface bounded by a line beginning at lat. 32°19'55" N, long. 111°24'00" W; thence west to lat. 32°17'20" N, long. 111°44'30" W; thence north to lat. 32°58'50" N, long. 111°46'00" W; thence northeast to lat. 33°08'10" N, long. 111°10'20" W; thence southeast to lat.

32°58'50" N, long. 111°04'15" W; thence southwest to the point of beginning.

* * * * *

Issued in Los Angeles, California, on June 13, 1996.

George D. Williams,

Manager, Air Traffic Division, Western-Pacific Region.

[FR Doc. 96-16412 Filed 6-26-96; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[CO-26-96]

RIN 1545-AU33

Regulations Under Section 382 of the Internal Revenue Code of 1986; Application of Section 382 in Short Taxable Years and With Respect to Controlled Groups

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of prior proposed rule, notice of proposed rulemaking by cross-reference to temporary regulations, and notice of public hearing.

SUMMARY: On January 29, 1991, proposed rules under section 382 of the Internal Revenue Code of 1986 (relating to limitations on net operating loss carryforwards and certain built-in losses following an ownership change) were filed with the Office of the Federal Register (CO-77-90; see 56 FR 4183; 1991-1 C.B. 749). The January, 1991, proposed rules are withdrawn and these proposed rules are issued in their place.

In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing temporary regulations relating to the application of section 382 in short taxable years and with respect to controlled groups. These regulations comply with the statutory direction under section 382(m) to prescribe such regulations. Additional rules amend certain aspects of § 1.382-2T relating principally to the separate tracking of the stock ownership of loss corporations that cease to exist following a merger or similar transactions.

The text of those temporary regulations also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

DATES: Written comments must be received by September 25, 1996. Outlines of topics to be discussed at the

public hearing scheduled for Thursday, October 17, 1996, at 10 a.m. must be received by Thursday, September 26, 1996.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (CO-26-96), room 5228, Internal Revenue Service, POB 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 (CO-26-96), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. The public hearing will be held in the NYU Classroom, Room 2615, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, David B. Friedel, (202) 622-7550; concerning submissions and the hearing, Evangelista Lee, (202) 622-7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under the control number 1545-1434. Proposed § 1.382-8(h) requires a response from certain corporations that are members of controlled groups. The IRS requires this information to assure compliance with section 382(m)(5) so that the value of a loss corporation that is a member of a controlled group is not taken into account more than once in computing a section 382 limitation.

Comments concerning the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of 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 August 26, 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.

Proposed § 1.382-8(h) provides that the loss corporation must file a statement signed by it and any other member of the controlled group that elects to restore value to it indicating relevant information regarding the election. The likely respondents and/or

recordkeepers are corporations that are members of certain controlled groups. Responses to this collection of information are required to obtain a benefit (relating to the restoration of value for section 382 purposes).

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 burden: 875 hours. The estimated annual burden per respondent varies from ten to thirty minutes, depending on individual circumstances, with an estimated average of fifteen minutes. Estimated number of respondents: 21,000. Estimated frequency of responses: once every six years.

Background

Temporary regulations in the Rules and Regulations section of this issue of the Federal Register amend the Income Tax Regulations (26 CFR Part 1) under section 382 of the Internal Revenue Code of 1986. Among other changes, those regulations add temporary regulations §§ 1.382-5T and 1.382-8T, and amend § 1.382-2T(f). The final regulations that are proposed to be based on these proposed regulations would be added to part 1 of title 26 of the Code of Federal Regulations. Those final regulations would provide rules relating to limitations on net operating loss carryforwards and certain built-in losses following an ownership change under section 382.

For the text of these new temporary regulations, see TD 8679. The preamble to the temporary regulations explains the regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. All comments will be available for public inspection and copying.

A public hearing has been scheduled for Thursday, October 17, 1996, at 10 a.m. in the NYU Classroom, Room 2615, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. Because of access restrictions, visitors will not be admitted beyond the building lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by September 25, 1996 and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by Thursday, September 26, 1996.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information: The principal author of the temporary regulations is David B. Friedel of the Office of Assistant Chief Counsel (Corporate), IRS. Other personnel from the IRS and Treasury participated in their development.

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking that was published on January 29, 1991 (56 FR 4183) is withdrawn.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by revising the entry for § 1.382-2T and adding citations for §§ 1.382-5 and 1.382-8 in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.382-2T also issued under 26 U.S.C. 382(g)(4)(C), (i), (k)(1) and (6), (l)(3), (m), and 26 U.S.C. 383.* * *

Section 1.382-5 also issued under 26 U.S.C. 382(m).* * *

Section 1.382-8 also issued under 26 U.S.C. 382(m).* * *

Par. 2. Section 1.382-1 is amended by revising the entry for § 1.382-2(a)(1)(iv), and adding §§ 1.382-5 and 1.382-8 to read as follows:

§ 1.382-1 Table of contents.

* * * * *

§ 1.382-2 General rules for ownership change.

(a) * * *

(1) * * *

(iv) End of separate accounting for losses and credits of distributor or transferor loss corporation.

* * * * *

§ 1.382-5 Section 382 limitation.

(a) Scope.

(b) Computation of value.

(c) Short taxable year.

(d) Successive ownership changes and absorption of a section 382 limitation.

(1) In general.

(2) Recognized built-in gains and losses.

(3) Effective date.

(e) Controlled groups.

(f) Effective date.

* * * * *

§ 1.382-8 Controlled groups.

(a) Introduction.

(b) Controlled group loss and controlled group with respect to a controlled group loss.

(c) Computation of value.

(1) Reduction in value.

(2) Restoration of value.

(3) Reduction in value by the amount restored.

(4) Appropriate adjustments.

(5) Certain reductions in the value of members of a controlled group.

(d) No double reduction.

(e) Definitions and nomenclature.

(1) Definitions in § 1.382-2T.

(2) Controlled group.

(3) Component member.

(4) Predecessors and successors.

(f) Coordination between consolidated groups and controlled groups.

(g) Examples.

(h) Time and manner of filing election to restore.

(1) Statement required.

(2) Revocation of election.

(3) Filing by component member.

(i) [Reserved]

(j) Effective date.

(1) In general.

(2) Transition rule.

(3) Corporations that are not members on January 29, 1991.

(4) Amended returns.

Par. 3. Section 1.382-2 is amended as follows:

§ 1.382-2 General rules for ownership change.

[The text of the proposed amendments to paragraphs (e)(2)(iv), (f)(1)(i), (ii) and (iii), (f)(4), (f)(5), and (f)(18)(i) is the same as the text of the amendments to paragraphs (e)(2)(iv), (f)(1)(i), (ii) and (iii), (f)(4), (f)(5), and (f)(18)(i) of § 1.382-2T, published elsewhere in this issue of the Federal Register.]

Par. 4. Sections 1.382-5 and 1.382-8 are added to read as follows:

[The text of these proposed sections is the same as the text of §§ 1.382-5T and 1.382-8T published elsewhere in this issue of the Federal Register.]

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 96-15828 Filed 6-26-96; 8:45 am]

BILLING CODE 4830-01-U

26 CFR Part 1

[CO-24-96]

RIN 1545-AU31

Consolidated Returns—Limitations on the Use of Certain Losses and Deductions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of prior proposed rule, notice of proposed rulemaking by cross-reference to temporary regulations, and notice of public hearing.

SUMMARY: On January 29, 1991, proposed rules under section 1502 were filed with the Office of the Federal Register (CO-78-90; see 56 FR 4228; 1991-1 C.B. 757). A public hearing was held on April 8, 1991. The IRS and Treasury published Notice 91-27 (1991-2 C.B. 629) to advise of intended modifications to the proposed regulations. The January, 1991, proposed rules are withdrawn, and these proposed rules are issued in their place.

In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing temporary regulations relating to the carryover and carryback of losses to consolidated and separate return years. The text of those temporary regulations also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

DATES: Written comments must be received by September 25, 1996. Outlines of topics to be discussed at the public hearing scheduled for Thursday, October 17, 1996, at 10 a.m. must be

received by Thursday, September 26, 1996.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (CO-24-96), room 5228, Internal Revenue Service, POB 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 (CO-24-96), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. The public hearing will be held in the NYU Classroom, Room 2615, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, David B. Friedel, (202) 622-7550; concerning submissions and the hearing, Evangelista Lee, (202) 622-7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under the control number 1545-1237. Section 1.1502-21(b)(3) requires a response from certain consolidated groups. The IRS requires the information to assure that an election to relinquish a carryback period is properly documented.

Comments concerning the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of 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 August 26, 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 Proposed § 1.1502-21(b)(3). That section permits an election to relinquish a carryback period with respect to a consolidated net operating loss. The common parent of the group files the statement evidencing the election with the income tax return of the group. This information is required by the IRS to assure that an election to relinquish a carryback period is properly documented. The likely respondents