

Boulevard, Lawndale, California 90261, telephone (310) 725-6556.

**SUPPLEMENTARY INFORMATION:**

**History**

On November 1, 1996, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) by amending the Class E airspace area at Grass Valley, CA (61 FR 56479). This action will provide adequate controlled airspace to accommodate a GPS SIAP to RWY 07 at Nevada County Airpark, Grass Valley, CA.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments to the proposal were received. Class E airspace designations are published in paragraph 6005 of FAA Order 7400.9D dated September 4, 1996, and effective September 16, 1996, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in this Order.

**The Rule**

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) amends the Class E airspace area at Grass Valley, CA. The development of a GPS SIAP to RWY 07 has made this action necessary. The effect of this action will provide adequate airspace for aircraft executing the GPS RWY 07 SIAP at Nevada County Airpark, Grass Valley, CA.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this 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 rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

**Lists of Subjects in 14 CFR Part 71**

Airspace, Incorporation by reference, Navigation (air).

**Adoption of the Amendment**

In consideration of the foregoing, the Federal Aviation Administration amends 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 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows:

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

\* \* \* \* \*

AWP CA E5 Grass Valley, CA [Revised]

Nevada County Airpark, CA  
(Lat. 39°13'27"N, long. 121°00'11"W)

Marysville VOR/DME  
(Lat. 39°05'55"N, long. 121°34'23"W)

\* \* \* \* \*

That airspace extending upward from 700 feet above the surface within a 4.3-mile radius of the Nevada County Airpark and within 3.5 miles south of the Marysville VOR/DME 074° radial extending from 13.9 miles east of the Marysville VOR/DME to the 4.3-mile radius of the Nevada County Airpark; thence counterclockwise via the 4.3-mile radius of the Nevada County Airpark to lat. 39°17'00"N, long. 121°03'18"W, thence westbound along lat. 37°17'00"N, to a point 13.9 miles northeast of the Marysville VOR/DME, thence clockwise along the 13.9 mile DME of the Marysville VOR/DME, to the point of beginning, excluding the Marysville, CA, Class E airspace area.

Issued in Los Angeles, California, on November 22, 1996.

Sabra W. Kaulia,

*Assistant Manager, Air Traffic Division,  
Western-Pacific Region.*

[FR Doc. 96-31580 Filed 12-11-96; 8:45 am]

**BILLING CODE 4910-13-M**

**DEPARTMENT OF COMMERCE**

**Bureau of the Census**

**15 CFR Part 30**

[Docket No. 960606162-6293-02]

**RIN 0607-AA21**

**Collection of Canadian Province of Origin Information on Customs Entry Records**

**AGENCY:** Bureau of the Census, Commerce.

**ACTION:** Correction to final rule.

**SUMMARY:** Due to an inadvertent omission in the language of the amendatory instructions, the Bureau of the Census is issuing a correction to the final rule published on November 29, 1996 specifically to clarify those instructions prior to publication in the Code of Federal Regulations (CFR). The Census Bureau is issuing this correction to prevent redundant text from appearing in the CFR. This correction has no impact on the policies, requirements, or effective date of the final rule as published in the Federal Register on November 29, 1996.

**EFFECTIVE DATE:** This rule will become effective February 27, 1997.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information should be addressed to C. Harvey Monk, Jr., Bureau of the Census, Washington, D.C. 20233, by telephone on (301) 457-2255 or by fax on (301) 457-2645.

Accordingly, on page 60532 of the Federal Register, published November 29, 1996, in the third column, the amendatory instruction number 2 is corrected to read as follows: “2. Section 30.80 is revised to read as follows:” and the asterisks below the section heading are removed.

Dated: December 6, 1996.

Martha Farnsworth Riche,  
*Director, Bureau of the Census.*

[FR Doc. 96-31542 Filed 12-11-96; 8:45 am]

**BILLING CODE 3510-07-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Parts 1 and 301**

[TD 8689]

**RIN 1545-AT23**

**Methods of Signing**

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

**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains regulations relating to the methods of signing returns, statements, or other documents. The final regulations clarify that the IRS may prescribe a method other than pen and ink for signing any return, statement, or other document. This clarification will facilitate the IRS' implementation of paperless filings.

**EFFECTIVE DATE:** These regulations are effective on December 12, 1996.

**FOR FURTHER INFORMATION CONTACT:** Celia Gabrysh (202) 622-4940 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

This document contains amendments to the Income Tax Regulations (26 CFR part 1) and the Procedure and Administration Regulations (26 CFR part 301) that relate to signing returns, statements, and other documents. Section 6061 provides in part that “\* \* \* any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary.” Traditionally, the IRS has accepted pen-to-paper signatures. The IRS will prescribe additional methods of signing to be used for electronically filed returns and other documents.

The final regulations clarify that the IRS may prescribe the specific method of signing any return, statement, or other document. The final regulations also provide that the IRS may require a return preparer to use a method of signing other than a pen-to-paper signature or a facsimile signature stamp when signing a return, statement, or other document.

On July 21, 1995, temporary regulations (TD 8603) relating to the signing of returns, statements, and other documents were published in the Federal Register (60 FR 37589). A notice of proposed rulemaking (IA-10-95) cross-referencing the temporary regulations was published in the Federal Register for the same day (60 FR 37621).

One comment responding to this notice was received. A public hearing was held on November 2, 1995. After consideration of the comment, the proposed regulations under sections 6061 and 6695 are adopted without change by this Treasury decision, and the corresponding temporary regulations are removed. The comment is discussed below.

**Summary of Comments**

The commentator suggested that the IRS prescribe by regulation any new method of signing any return, statement, or other document to allow the public to comment on the method's feasibility. Also, the commentator suggested that a regulation would constitute substantial authority and would provide broader public exposure.

The final regulations did not adopt the commentator's suggestion. The final regulations retain the full range of options for prescribing new methods of signing: forms, instructions, or other appropriate guidance. The final regulations provide the IRS with the flexibility to address the particular circumstances of any method of signing. The IRS will continue to inform the public about methods of signing.

**Special Analyses**

It has been determined that this Treasury decision 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, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

**Drafting Information:** The principal author of these regulations is Celia Gabrysh, Office of Assistant Chief Counsel (Income Tax & Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

**List of Subjects**

**26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**26 CFR Part 301**

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

**Adoption of Amendments to the Regulations**

Accordingly, 26 CFR parts 1 and 301 are amended 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 \* \* \*

Par. 2. Section 1.6695-1 is amended by revising the first sentence of paragraph (b)(1) to read as follows:

**§ 1.6695-1 Other assessable penalties with respect to the preparation of income tax returns for other persons.**

\* \* \* \* \*

(b) \* \* \* (1) Unless the Secretary has prescribed another method of signing pursuant to § 301.6061-1(b) of this chapter on or after July 21, 1995, an individual who is an income tax return preparer with respect to a return of tax under subtitle A of the Internal Revenue Code (Code) or claim for refund of tax under subtitle A of the Code shall manually sign the return or claim for refund (which may be a photocopy) in the appropriate space provided on the return or claim for refund after it is completed and before it is presented to the taxpayer (or nontaxable entity) for signature. \* \* \*

\* \* \* \* \*

**§ 1.6695-1T [Removed]**

Par. 3. Section 1.6695-1T is removed.

**PART 301—PROCEDURE AND ADMINISTRATION**

Par. 4. The authority citation for part 301 is amended by removing the entry for section 301.6061-1T and adding an entry in numerical order to read as follows:

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

Section 301.6061-1 also issued under 26 U.S.C. 6061; \* \* \*

Par. 5. Section 301.6061-1 is revised to read as follows:

**§ 301.6061-1 Signing of returns and other documents.**

(a) *In general.* For provisions concerning the signing of returns and other documents, see the regulations relating to the particular tax.

(b) *Method of signing.* The Secretary may prescribe in forms, instructions, or other appropriate guidance the method of signing any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations.

(c) *Effective dates.* The rule in paragraph (a) is effective December 12, 1996. The rule in paragraph (b) is effective on July 21, 1995.

**§ 301.6061-1T [Removed]**

Par. 6. Section 301.6061-1T is removed.

Approved: November 1, 1996.  
 Margaret Milner Richardson,  
*Commissioner of Internal Revenue.*  
 Donald C. Lubick,  
*Acting Assistant Secretary of the Treasury.*  
 [FR Doc. 96-31363 Filed 12-11-96; 8:45 am]  
**BILLING CODE 4830-01-U**

**26 CFR Parts 1 and 602**

[TD 8688]

RIN 1545-AS14

**Certain Elections Under the Omnibus Budget Reconciliation Act of 1993**

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

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to the time and manner of making certain elections under the Omnibus Budget Reconciliation Act of 1993. These regulations provide guidance to persons making the elections.

**EFFECTIVE DATE:** December 12, 1996.

**FOR FURTHER INFORMATION CONTACT:** George Bradley, 202-622-4920 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act**

The collections of information contained in these final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1421. Responses to these collections of information are required to obtain the benefits of the particular election that is the subject of the collection.

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 estimated annual burden per respondent varies from 15 minutes to 45 minutes, depending on individual circumstances, with an estimated average of 30 minutes.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, T:FP, Washington, DC 20224, and 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.

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.

**Background**

This document contains final regulations relating to elections under the following sections of the Internal Revenue Code of 1986 (Code) and the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103-66, 107 Stat. 312) (Act):

Act section	Code section
13114 .....	1044(a).
13150 .....	108(c)(3)(C).
13206(d) .....	163(d)(4)(B)(iii).
13225 .....	6655(e)(2)(C).

On December 27, 1993, the Federal Register published temporary regulations (TD 8509) and a cross-reference notice of proposed rulemaking (IA-62-93), 58 FR 68300 and 58 FR 68336, respectively, relating to these elections. Three written comments responding to the regulations were submitted. Since none of the commentators requested a public hearing, one was not held. After consideration of the comments, the proposed regulations are adopted as final regulations subject to modifications to proposed § 1.108(c)-1, and the corresponding temporary regulations are removed. The comments and a description of the modifications to proposed § 1.108(c)-1 are discussed below.

**Summary of Comments and Modifications**

All three comments related to the election under section 163(d)(4)(B)(iii), which allows a taxpayer to take all or a portion of certain net capital gains, attributable to dispositions of property held for investment, into account as investment income. As a consequence, the capital gains affected by this election are not eligible for the maximum capital gain rate of 28 percent. The election must be made on Form 4952, Investment Interest Expense Deduction, on or before the due date (including extensions) of the income tax return for the taxable year in which the net capital gain is recognized.

The commentators questioned the authority of the IRS to require a formal election, stated that a formal election will add to the complexity of filing individual income tax returns, and suggested that taxpayers be allowed to freely change the manner in which they treat long-term capital gains, as long as

the taxable year is open. These comments were given careful consideration. However, they have not been incorporated into these final regulations. The IRS and the Treasury Department believe that the requirement of a formal election is supported by the language of section 163(d)(4)(B)(iii), is not unduly burdensome, and provides taxpayers with flexibility, since the election is revocable.

The final regulations modify the requirements for making the election for discharge of qualified real property business indebtedness under section 108(c). Under the previous temporary regulations a taxpayer was required to make the election with the taxpayer's income tax return for the taxable year in which the discharge occurred, but was permitted to file an election with an amended return or claim for credit or refund if the taxpayer established reasonable cause for failure to file the election with the original return. The final regulations require the taxpayer to make the election on the timely-filed (including extensions) Federal income tax return for the taxable year in which the taxpayer has discharge of indebtedness income that is excludible under section 108(a). Therefore, a taxpayer that fails to make the election on that return must request the Commissioner's consent to file a late election under § 301.9100-3T or any regulations that supersede § 301.9100-3T.

**Special Analyses**

It has been determined that these regulations are not significant rules as defined in Executive Order 12866. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the notice of proposed rulemaking preceding the regulations was issued prior to March 29, 1996, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

**Drafting Information:** The principal author of these regulations is George Bradley, Office of Assistant Chief Counsel (Income Tax and Accounting), Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and the Treasury Department participated in their development.