

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.

List 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—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for 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.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9E, Airspace Designations and Reporting Points, dated September 10, 1997, and effective September 16, 1997, is amended as follows:

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

* * * * *

AGL WI E5 Osceola, WI [Revised]

L.O. Simenstad Municipal Airport, WI
(Lat. 48°18'31" N, long. 92°41'24" W)

That airspace extending upward from 700 feet above the surface within a 6.4-mile radius of the L.O. Simenstad Municipal Airport and within 2.5 miles each side of the 113° bearing from the airport extending from the 6.4-mile radius to 7.0 miles southeast of the airport.

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Issued in Des Plaines, Illinois, on December 15, 1997.

Maureen Woods,

Manager, Air Traffic Division.

[FR Doc. 98–786 Filed 1–12–98; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 91, 93, 121, and 135

[Docket No. 28537; Amendment Number 93–75, and SFAR No. 50–2]

RIN 2120–AG54

Special Flight Rules in the Vicinity of Grand Canyon National Park

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments; correction.

SUMMARY: This document contains a correction to the final rule published in the **Federal Register** (62 FR 66248) on December 17, 1997. The final rule codified the provisions of Special Federal Aviation Regulation (SFAR) No. 50–2, Special Flight Rules in the Vicinity of Grand Canyon National Park (GCNP); modified the dimensions of the GCNP Special Flight Rules Area (SFRA); established new and modified existing flight-free zones; established new and modified existing flight corridors; established reporting requirements for commercial sightseeing companies operating in the SFRA; prohibited commercial sightseeing operations in certain areas during certain time periods; and limited the number of aircraft that can be used for commercial sightseeing operations in the SFRA.

EFFECTIVE DATES: The effective date of January 31, 1998, for 14 CFR Sections 93.301, 93.305, and 93.307, is delayed until 0901 UTC January 31, 1999. Section 9 of SFAR No. 50–2 is amended effective January 16, 1998.

FOR FURTHER INFORMATION CONTACT: Mr. Reginald C. Matthews, (202/267–8783).

Correction of Publication

In the rule document (FR Doc. 97–32832) on page 66248 in the issue of Wednesday, December 17, 1997, Amendment numbers were inserted incorrectly, and an SFAR number was omitted in the docket line of the heading. Please make the following corrections: On page 66248, column 1, in the heading, the docket line in brackets is corrected to read as set forth above.

Issued in Washington, DC, on January 8, 1998.

Donald P. Byrne,

Assistant Chief Counsel.

[FR Doc. 98–792 Filed 1–12–98; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8756]

RIN 1545–AV78

Election Not to Apply Look-Back Method in De Minimis Cases

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final and temporary regulations explaining how a taxpayer elects under section 460(b)(6) not to apply the look-back method to long-term contracts in de minimis cases. The regulations reflect changes to the law made by the Taxpayer Relief Act of 1997 and affect manufacturers and construction contractors whose long-term contracts otherwise are subject to the look-back method. The text of the temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section of this issue of the **Federal Register**.

DATES: These regulations are effective January 13, 1998.

These regulations apply to long-term contracts completed in taxable years ending after August 5, 1997.

FOR FURTHER INFORMATION CONTACT: Leo F. Nolan II or John M. Aramburu at (202) 622–4960 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

These regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collection of information contained in these regulations has been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget (OMB) under control number 1545–1572. Responses to this collection of information are required for a taxpayer to elect not to apply the look-back method to long-term contracts in de minimis cases.

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 OMB control number.

For further information concerning this collection of information, and where to submit comments on the

collection of information and the accuracy of the estimated burden, and suggestions for reducing the burden, please refer to the preamble in the cross-referencing notice of proposed rulemaking published in the Proposed Rules section of this issue of the **Federal Register**.

Books or records relating to a 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 amendments to the Income Tax Regulations (26 CFR part 1). Section 460(b)(6) of the Internal Revenue Code was added by section 1211 of the Taxpayer Relief Act of 1997, Public Law 105-34, 111 Stat. 788, 998, to provide an election not to apply the look-back method of section 460(b)(2) to long-term contracts in de minimis cases. These regulations provide guidance concerning this new election.

Explanation of Provisions

Section 460(b) provides that, upon the completion of any long-term contract, the look-back method is applied to amounts reported under the contract using the percentage-of-completion method (PCM). The PCM requires the use of estimates of total contract price and total contract costs for reporting income in taxable years preceding the year of contract completion. The look-back method is intended to offset the time-value-of-money effects of using estimates during the life of a contract that differ from the actual amounts determined in the year of contract completion.

Under the look-back method, taxpayers are required to pay interest if a tax liability is deferred as a result of underestimating the total contract price or overestimating total contract costs. Conversely, taxpayers are entitled to receive interest if a tax liability is accelerated as a result of overestimating the total contract price or underestimating total contract costs.

Section 1.460-6(e) contains an elective relief provision concerning the look-back method, which is called the delayed reapplication method. Under the delayed reapplication method, a taxpayer does not apply the look-back method to any post-completion taxable year until the first of the following conditions is met: (1) The net undiscounted value of increases or decreases in the contract price occurring since the last application of the look-

back method exceeds the lesser of \$1,000,000 or 10 percent of the total contract price as of that time; (2) the net undiscounted value of increases or decreases in the contract costs occurring since the last application of the look-back method exceeds the lesser of \$1,000,000 or 10 percent of the total actual contract costs as of that time; (3) the taxpayer goes out of existence; (4) the taxpayer reasonably believes the contract is finally settled and closed; or (5) five taxable years have passed since the last application of the look-back method.

In the Taxpayer Relief Act of 1997, section 460(b)(6) was added to provide taxpayers with an election not to apply the look-back method to long-term contracts in either of the following cases (de minimis cases). First, a taxpayer does not apply the look-back method in the completion year if, for each prior contract year, the cumulative taxable income (or loss) actually reported under the contract is within 10 percent of the cumulative look-back income (or loss). Cumulative look-back income (or loss) is the amount of taxable income (or loss) that the taxpayer would have reported if the taxpayer had used actual contract price and costs instead of estimated contract price and costs. Second, a taxpayer does not apply the look-back method in a post-completion taxable year if, as of the close of the post-completion taxable year, the cumulative taxable income (or loss) under the contract is within 10 percent of the cumulative look-back income (or loss) under the contract as of the close of the most recent year in which the look-back method was applied to the contract (or would have been applied but for this election).

These temporary regulations provide that a taxpayer may elect not to apply the look-back method to long-term contracts in de minimis cases by attaching a statement to the taxpayer's timely filed federal income tax return (including extensions) for the taxable year the election is effective or to an amended return for that year, provided the amended return is filed on or before March 31, 1998. This election applies to all long-term contracts completed during and after the year of election, unless the Commissioner consents to the revocation of the election.

These temporary regulations apply to long-term contracts completed in taxable years ending after August 5, 1997.

Special Analyses

It has been determined that this final and temporary regulation is not a significant regulatory action as defined

in EO 12866. Therefore, a regulatory assessment is not required. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that the time required to prepare and file an election statement is minimal and will not have a significant impact on those small entities that choose to make the election. In addition, the election need only be made once by a taxpayer. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this final and temporary regulation will be 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 final and temporary regulations is Leo F. Nolan II, Office of Assistant Chief Counsel (Income Tax and 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 602

Reporting and recordkeeping requirements.

Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry for § 1.460-6T in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *
§ 1.460-6T also issued under 26 U.S.C. 460(h). * * *

Par. 2. Section 1.460-0 is amended by adding an entry for § 1.460-6T to read as follows:

§ 1.460-0 Outline of regulations under section 460.

* * * * *

§ 1.460-6T Look-back method (temporary).

(a) through (i) [Reserved]
(j) Election not to apply look-back method in de minimis cases.

* * * * *

Par. 3. Section 1.460-6T is added to read as follows:

§ 1.460-6T Look-back method (temporary).

(a) through (h) [Reserved] For further guidance, see § 1.460-6 (a) through (h).

(i) [Reserved]

(j) *Election not to apply look-back method in de minimis cases.* Section 460(b)(6) provides taxpayers with an election not to apply the look-back method to long-term contracts in de minimis cases, effective for contracts completed in taxable years ending after August 5, 1997. To make an election, a taxpayer must attach a statement to its timely filed original federal income tax return (including extensions) for the taxable year the election is to become effective or to an amended return for that year, provided the amended return is filed on or before March 31, 1998. This statement must have the legend "NOTIFICATION OF ELECTION UNDER SECTION 460(b)(6)"; provide the taxpayer's name and identifying number and the effective date of the election; and identify the trades or businesses that involve long-term contracts. An election applies to all long-term contracts completed during and after the taxable year for which the election is effective. An election may not be revoked without the Commissioner's consent. A consolidated group of corporations, as defined in § 1.1502-1(h), is subject to consistency rules analogous to those in § 1.460-6(e)(2) (concerning election to use delayed reapplication method) and in § 1.460-6(d)(4)(ii)(C) (concerning election to use simplified marginal impact method).

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 4. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 5. In § 602.101, paragraph (c) is amended by adding an entry to the table in numerical order to read as follows:

§ 602.101 OMB Control numbers.

* * * * *

(c) * * *

CFR part or section where identified and described	Current OMB control No.
* * * * *	
1.460-6T	1545-1572
* * * * *	

Michael P. Dolan,

Deputy Commissioner of Internal Revenue.

Approved: December 18, 1997.

Donald C. Lubick,

Acting Assistant Secretary of the Treasury.

[FR Doc. 98-599 Filed 1-12-98; 8:45 am]

BILLING CODE 4830-01-U

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Part 1926

Scaffolds

CFR Correction

In Title 29 of the Code of Federal Regulations, part 1926, revised as of July 1, 1997, on page 311, second column, in the last line of the effective date note, the bold text reading, "Training requirements" should be removed. The following section number and heading should precede the text following the effective date note.

§ 1926.454 Training requirements.

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 103

RIN 1506-AA18

Amendments to the Bank Secrecy Act Regulations Regarding Reporting and Recordkeeping by Card Clubs

AGENCY: Financial Crimes Enforcement Network, Treasury.

ACTION: Final rule.

SUMMARY: The Financial Crimes Enforcement Network ("FinCEN") is amending the regulations implementing the statute generally referred to as the Bank Secrecy Act to include certain gaming establishments, commonly called "card clubs," "card rooms," "gaming clubs," or "gaming rooms" within the definition of financial institution subject to those regulations.

EFFECTIVE DATE: August 1, 1998.

FOR FURTHER INFORMATION CONTACT: Leonard C. Senia, Senior Financial Enforcement Officer, Office of Program Development, Financial Crimes Enforcement Network, (703) 905-3931, or Cynthia L. Clark, Acting Deputy Legal Counsel, Financial Crimes Enforcement Network, (703) 905-3590.

SUPPLEMENTARY INFORMATION:

Introduction

This final rule (i) adds a definition of "card club," in a new paragraph (8) of 31 CFR 103.11(n), as a component of the definition of "financial institution" for purposes of the Bank Secrecy Act rules, (ii) provides, by means of a new paragraph (7)(iii) in section 103.11(n), for treatment of card clubs generally in the same manner as casinos under the Bank Secrecy Act, (iii) renumbers paragraphs (8) and (9) of section 103.11(n) as paragraphs (9) and (10), respectively, and (iv) adds a new paragraph (11), applicable only to card clubs, to 31 CFR 103.36(b), to require retention by card clubs of records of a customer's currency transactions, and of records of all activity at card club cages or similar facilities, maintained in the ordinary course of a club's business. The changes reflect the authority contained in section 409 of the Money Laundering Suppression Act of 1994 (the "Money Laundering Suppression Act"), Title IV of the Riegle Community Development and Regulatory Improvement Act of 1994, Pub. L. 103-325.

In December 1996, FinCEN published a notice of proposed rulemaking (the "Notice") in the **Federal Register** proposing the amendments to the Bank Secrecy Act regulations that are the subject of this final rule (61 FR 67260, December 20, 1996). One comment was received in response to this Notice.¹ Based on this response, the Notice is being adopted as a final rule with only minor editorial changes, and as explained below, a new effective date later than the date proposed in the Notice.

Background

The statute popularly known as the "Bank Secrecy Act," Titles I and II of Pub. L. 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5330, authorizes the Secretary of the Treasury, *inter alia*, to issue regulations requiring financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, and to implement counter-money laundering programs and compliance procedures. Regulations implementing Title II of the Bank Secrecy Act (codified at 31 U.S.C. 5311-5330), appear at 31 CFR Part 103. The authority of the Secretary to administer the Bank Secrecy Act has

¹ The comment received was from a large card club and was generally favorable to the changes proposed.