

West Point, MS, McCharen Field, VOR/DME RNAV RWY 36, Amdt 3A, CANCELLED

Billings, MT, Billings Logan Intl, VOR/DME RNAV RWY 28R, Amdt 2, CANCELLED

Chapel Hill, NC, Horace Williams, VOR/DME RNAV RWY 9, Orig, CANCELLED

Morganton, NC, Morganton-Lenoir, NDB RWY 3, Amdt 5, CANCELLED

Hobbs, NM, Lea County Regional, ILS OR LOC RWY 3, Amdt 7

Hobbs, NM, Lea County Regional, Takeoff Minimums and Textual DP, Orig

Roswell, NM, Roswell International Air Center, RNAV (GPS) RWY 3, Orig

Roswell, NM, Roswell International Air Center, RNAV (GPS) RWY 17, Orig

Roswell, NM, Roswell International Air Center, RNAV (GPS) RWY 21, Orig

Roswell, NM, Roswell International Air Center, RNAV (GPS) RWY 35, Orig

Roswell, NM, Roswell International Air Center, GPS-C, Orig, CANCELLED

Roswell, NM, Roswell International Air Center, GPS RWY 21, Orig, CANCELLED

Roswell, NM, Roswell International Air Center, GPS RWY 35, Orig-B, CANCELLED

Roswell, NM, Roswell International Air Center, VOR/DME RNAV RWY 35, Amdt 3, CANCELLED

Winnemucca, NV, Winnemucca Muni, RNAV (GPS) RWY 14, Orig

Winnemucca, NV, Winnemucca Muni, RNAV (GPS) RWY 32, Orig

Winnemucca, NV, Winnemucca Muni, GPS RWY 14, Orig-A, CANCELLED

Winnemucca, NV, Winnemucca Muni, GPS RWY 32, Orig, CANCELLED

Binghamton, NY, Greater Binghamton/Edwin A. Link Field, NDB RWY 34, Amdt 18, CANCELLED

New York, NY, John F. Kennedy Intl, Takeoff Minimums and Textual DP, Amdt 7

Kent, OH, Kent State Univ, RNAV (GPS) RWY 1, Amdt 1

Kent, OH, Kent State Univ, RNAV (GPS) RWY 19, Amdt 1

Norman, OK, University of Oklahoma Westheimer, VOR/DME RNAV RWY 3, Orig-G, CANCELLED

Oklahoma City, OK, Clarence E. Page Muni, RNAV (GPS) RWY 17R, Amdt 1

Oklahoma City, OK, Clarence E. Page Muni, RNAV (GPS) RWY 35L, Amdt 1

Oklahoma City, OK, Clarence E. Page Muni, VOR/DME RNAV RWY 17R, Amdt 1A, CANCELLED

Oklahoma City, OK, Clarence E. Page Muni, VOR/DME RNAV RWY 35L, Amdt 1A, CANCELLED

Oklahoma City, OK, Clarence E. Page Muni, Takeoff Minimums and Textual DP, Orig

Pendleton, OR, Pendleton/Eastern Oregon Regional at Pendleton, NDB or GPS-A, Amdt 7, CANCELLED

Philadelphia, PA, Philadelphia Intl, VOR/DME-A, Amdt 3

North Kingstown, RI, Quonset State, VOR/DME RNAV RWY 34, Amdt 2, CANCELLED

Columbia, SC, Columbia Metropolitan, NDB RWY 11, Amdt 23, CANCELLED

Jacksboro, TN, Campbell County, VOR/DME RNAV OR GPS-A, Amdt 4, CANCELLED

Jacksboro, TN, Campbell County, NDB RWY 23, Amdt 5, CANCELLED

Knoxville, TN, McGhee-Tyson, RNAV (GPS) RWY 5L, Amdt 1

Knoxville, TN, McGhee-Tyson, RNAV (GPS) RWY 23R, Amdt 1

Somerville, TN, Fayette Co., RNAV (GPS) RWY 19, Amdt 1

Somerville, TN, Fayette Co., Takeoff Minimums and Textual DP, Amdt 1

Springfield, TN, Springfield Robertson County, NDB RWY 4, Amdt 1, CANCELLED

Amarillo, TX, Tradewind, VOR/DME RNAV RWY 35, Orig-B, CANCELLED

Dumas, TX, Moore County, VOR/DME RNAV RWY 19, Amdt 3D, CANCELLED

Houston, TX, David Wayne Hooks Memorial, VOR/DME RNAV RWY 35L, Amdt 4, CANCELLED

Houston, TX, David Wayne Hooks Memorial, VOR/DME RNAV RWY 17R, Amdt 4, CANCELLED

Houston, TX, George Bush Intercontinental Arpt/Houston, VOR/DME RWY 33R, Amdt 14B, CANCELLED

Ingleside, TX, T P Mc Campbell, RNAV (GPS) RWY 13, Orig

Ingleside, TX, T P Mc Campbell, RNAV (GPS) RWY 31, Orig

Ingleside, TX, T P Mc Campbell, Takeoff Minimums and Textual DP, Orig

Marshall, TX, Harrison County, VOR/DME RNAV RWY 33, Amdt 1D, CANCELLED

Mineola/Quitman, TX, Wood County, VOR/DME RNAV RWY 18, Amdt 2, CANCELLED

San Angelo, TX, San Angelo Regional/Mathis Field, RNAV (GPS) RWY 18, Orig

Wichita Falls, TX, Sheppard AFB/Wichita Falls Muni, RNAV (GPS) RWY 33L, Amdt 1

Wichita Falls, TX, Sheppard AFB/Wichita Falls Muni, RNAV (GPS) RWY 15R, Amdt 1

Charlottesville, VA, Charlottesville-Albemarle, RNAV (GPS) Y RWY 21, Amdt 1

Charlottesville, VA, Charlottesville-Albemarle, RNAV (GPS) Z RWY 21, Orig

Roanoke, VA, Roanoke Regional/Woodrum Field, LDA RWY 6, Amdt 9

Moses Lake, WA, Grant County, VOR/DME RNAV RWY 22, Amdt 1A, CANCELLED

Eagle River, WI, Eagle River Union, RNAV (GPS) RWY 4, Orig

Eagle River, WI, Eagle River Union, GPS RWY 4, Orig, CANCELLED

Eagle River, WI, Eagle River Union, Takeoff Minimums and Textual DP, Orig

Marshfield, WI, Marshfield Muni, RNAV (GPS) RWY 16, Orig

Marshfield, WI, Marshfield Muni, RNAV (GPS) RWY 34, Orig

Marshfield, WI, Marshfield Muni, GPS RWY 16, Orig, CANCELLED

Marshfield, WI, Marshfield Muni, Takeoff Minimums and Textual DP, Orig

[FR Doc. E6-13590 Filed 8-18-06; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9254]

RIN 1545-BB25

#### Guidance Under Section 1502; Suspension of Losses on Certain Stock Dispositions; Correcting Amendment

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

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains corrections to final regulations that were published in the **Federal Register** on Tuesday, March 14, 2006 (71 FR 13008) regarding guidance on suspension of losses on certain stock dispositions.

**DATES:** These corrections are effective March 14, 2006.

**FOR FURTHER INFORMATION CONTACT:** Theresa Abell, (202) 622-7700 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The final regulations (TD 9254) that are the subject of this correction are under section 1502 of the Internal Revenue Code.

##### Need for Correction

As published, final regulations (TD 9254) contains errors that may prove to be misleading and are in need of clarification.

##### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

##### Correction of Publication

■ Accordingly, 26 CFR parts 1 and 602 are corrected by making the following correcting amendments:

#### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 is amended and continues to read in part as follows:

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

##### § 1.1502-35 [Corrected]

■ **Par. 2.** Section 1.1502-35 is amended as follows:

- 1. By revising the text of paragraph (d)(4)(i)(B)(2).
- 2. By revising the text of paragraphs (d)(8) and (d)(9).
- 3. By revising the text of paragraph (e), *Example 3.*, paragraph (v).

- 4. By revising the text of paragraph (e), *Example 4.*, the first sentence of paragraph (iv), and paragraph (v).
- 5. By revising the text of paragraph (e), *Example 6.*, paragraph (i).
- 6. By revising the text of paragraph (g)(5) *Examples 1.* and 2, first sentence of paragraph (i).
- 7. By revising the text of paragraph (g)(5) *Example 3.*, first three sentences of paragraph (i), and paragraph (ii).
- 8. By revising the text of the first sentence of paragraph (j).

**§ 1.1502-35 Transfers of subsidiary stock and deconsolidations of subsidiaries.**

\* \* \* \* \*

- (d)
- (4) \* \* \*
- (i) \* \* \*
- (B) \* \* \*

(2) Any liabilities of the subsidiary that have been taken into account for tax purposes.

\* \* \* \* \*

(8) Higher-tier. A subsidiary is higher-tier with respect to a member if or to the extent investment adjustments under § 1.1502-32 with respect to the stock of the latter member would affect investment adjustments with respect to the stock of the former member.

(9) Lower-tier. A subsidiary is lower-tier with respect to a member if or to the extent investment basis adjustments under § 1.1502-32 with respect to the stock of the former member would affect investment adjustments with respect to the stock of the latter member.

(e) \* \* \*

*Example 3.* \* \* \*

(v) *Effect of subsequent stock sale.* P recognizes \$0 gain/loss on the Year 6 sale of its remaining S common stock. No amount of suspended loss remains to be allowed under paragraph (c)(5) of this section.

*Example 4.* \* \* \*

(iv) *Effect of subsequent asset sale on suspended loss.* Because P cannot establish that all or a portion of the loss recognized on the sale of Asset B was not reflected in the calculation of the duplicated loss of S2 on the date of the Year 4 stock sale and such loss is allocable to the period beginning on the date of the Year 4 disposition of the S2 stock and ending on the day before the first date on which S2 is not a member of the P group and is taken into account in determining consolidated taxable income (or loss) of the P group for a taxable year that includes a date on or after the date of the Year 4 disposition and before the first date on which S2 is not a member of the P group, such asset loss reduces the suspended loss pursuant to paragraph (c)(4) of this section. \* \* \*

(v) *Effect of subsequent stock sale.* In year 6, when S1 sells its remaining S2 stock for \$100, it recognizes \$0 gain/loss. Pursuant to paragraph (c)(5) of this section, the remaining \$5 of the suspended loss is allowed on the P group's return for Year 6 when S1 sells its remaining S2 stock.

\* \* \* \* \*

*Example 6.* \* \* \* (i) In Year 1, P forms S with a contribution of \$80 in exchange for 80 shares of common stock of S which at that time represents all of the outstanding stock of S. S becomes a member of the P group. In Year 2, P contributes Asset A with a basis of \$50 and a value of \$20 in exchange for 20 shares of common stock of S in a transfer to which section 351 applies. In Year 4, in a transaction that is not part of a plan that includes the Year 1 and Year 2 contributions, P contributes the 20 shares of S common stock it acquired in Year 2 to PS, a partnership, in exchange for a 20 percent capital and profits interest in a transaction described in section 721. Immediately after the contribution to PS, S is a member of the P group. In Year 5, P sells its interest in PS for \$20.

\* \* \* \* \*

- (g) \* \* \*
- (5) \* \* \*

*Example 1. Transfers of property in the avoidance of basis redetermination rule—*(i) *Facts.* In Year 1, P forms S with a contribution of \$100 in exchange for 100 shares of common stock of S which at that time represents all of the outstanding stock of S. S becomes a member of the P group. In Year 2, P contributes 20 shares of common stock of S to PS, a partnership, in exchange for a 20 percent capital and profits interest in a transaction described in section 721. In Year 3, P contributes Asset A with a basis of \$50 and a value of \$20 to PS in exchange for an additional capital and profits interest in PS in a transaction described in section 721. Also in Year 3, PS contributes Asset A to S and P contributes an additional \$80 to S in transfers to which section 351 applies. In Year 4, S sells Asset A for \$20, recognizing a loss of \$30. The P group uses that loss to offset income of P. In Year 5, P sells its entire interest in PS for \$40.

*Example 2. Transfers effecting a reimportation of loss—*(i) *Facts.* In Year 1, P forms S with a contribution of Asset A with a value of \$100 and a basis of \$120, Asset B with a value of \$50 and a basis of \$70, and Asset C with a value of \$90 and a basis of \$100 in exchange for all of the common stock of S and S becomes a member of the P group. \* \* \*

\* \* \* \* \*

*Example 3. Transfers to avoid recognition of gain—*(i) *Facts.* P owns all of the stock of S1 and S2. The S2 stock has a basis of \$400 and a value of \$500. S1 owns 50% of the S3 common stock with a basis of \$150. \* \* \*

(ii) *Analysis.* Pursuant to paragraph (b)(4) of this section, because S2 owns stock of S3 (another subsidiary of the same group) and, immediately after the sale of the S2 stock, S3 is a member of the group, then for purposes of applying paragraph (b) of this section, S2 is deemed to have transferred its S3 stock. Because S3 is a member of the group immediately after the transfer of the S2 stock and the S3 stock deemed transferred has a basis in excess of value, the group in the S3 stock is redetermined pursuant to paragraph (b)(1) of this section immediately prior to the sale of the S2 stock.

Accordingly, P would recognize only \$1 of gain on the sale of its S2 stock. However,

because the recapitalization of the S3 was structured with a view to, and has the effect of, avoiding the recognition of gain on a disposition of stock by invoking the application of paragraph (b) of this section, paragraph (g)(4)(i) of this section applies. Accordingly, paragraph (b) of this section does not apply upon P's disposition of the S2 stock and P recognizes \$100 gain on the disposition of the S2 stock.

\* \* \* \* \*

(j) *Effective date.* This section applies with respect to stock transfers, deconsolidations of subsidiaries, determinations of worthlessness, and stock dispositions on or after March 10, 2006. \* \* \*

\* \* \* \* \*

**Guy R. Traynor,**

*Branch Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

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**BILLING CODE 4830-01-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9260]

**RIN 1545-BF46**

**Application of Separate Limitations to Dividends From Noncontrolled Section 902 Corporations; Correction**

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

**ACTION:** Correction to temporary regulations.

**SUMMARY:** This document contains corrections to temporary regulations that were published in the **Federal Register** on Tuesday, April 25, 2006 (71 FR 24516) regarding the application of separate foreign tax credit limitations to dividends received from noncontrolled section 902 corporations under section 904(d)(4).

**DATES:** These corrections are effective April 25, 2006.

**FOR FURTHER INFORMATION CONTACT:** Ginny Chung, (202) 622-3850 (not a toll-free call).

**SUPPLEMENTARY INFORMATION:**

**Background**

The temporary regulations (TD 9260) that are the subject of this correction are under section 904 of the Internal Revenue Code.