

under paragraph (a)(1) of this section except for this paragraph (b)(1);

(2) Any transfer of assets to the extent gain or loss otherwise is recognized by the taxable corporation on the transfer. See, for example, sections 336, 337(b)(2), 367, and 1001;

(3) Any transfer of assets to the extent the transaction qualifies for nonrecognition treatment under section 1031 or section 1033; or

(4) Any forfeiture of a taxable corporation's assets in a criminal or civil action to the United States, the government of a possession of the United States, a state, the District of Columbia, the government of a foreign country, or a political subdivision of any of the foregoing; or any expropriation of a taxable corporation's assets by the government of a foreign country.

(c) *Definitions.* For purposes of this section:

(1) *Taxable corporation.* A taxable corporation is any corporation that is not a tax-exempt entity as defined in paragraph (c)(2) of this section.

(2) *Tax-exempt entity.* A tax-exempt entity is—

(i) Any entity that is exempt from tax under section 501(a) or section 529;

(ii) A charitable remainder annuity trust or charitable remainder unitrust as defined in section 664(d);

(iii) The United States, the government of a possession of the United States, a state, the District of Columbia, the government of a foreign country, or a political subdivision of any of the foregoing;

(iv) An Indian Tribal Government as defined in section 7701(a)(40), a subdivision of an Indian Tribal Government determined in accordance with section 7871(d), or an agency or instrumentality of an Indian Tribal Government or subdivision thereof;

(v) An Indian Tribal Corporation organized under section 17 of the Indian Reorganization Act of 1934, 25 U.S.C. 477, or section 3 of the Oklahoma Welfare Act, 25 U.S.C. 503;

(vi) An international organization as defined in section 7701(a)(18);

(vii) An entity any portion of whose income is excluded under section 115; or

(viii) An entity that would not be taxable under the Internal Revenue Code for reasons substantially similar to those applicable to any entity listed in this paragraph (c)(2) unless otherwise explicitly made exempt from the application of this section by statute or by action of the Commissioner.

(3) *Substantially all.* The term *substantially all* has the same meaning as under section 368(a)(1)(C).

(d) *Loss limitation rule.* For purposes of determining the amount of gain or loss recognized by a taxable corporation on the transfer of its assets to a tax-exempt entity under paragraph (a) of this section, if assets are acquired by the taxable corporation in a transaction to which section 351 applied or as a contribution to capital, or assets are distributed from the taxable corporation to a shareholder or another member of the taxable corporation's affiliated group, and in either case such acquisition or distribution is made as part of a plan a principal purpose of which is to recognize loss by the taxable corporation on the transfer of such assets to the tax-exempt entity, the losses recognized by the taxable corporation on such assets transferred to the tax-exempt entity will be disallowed. For purposes of the preceding sentence, the principles of section 336(d)(2) apply.

(e) *Effective date.* This section is applicable to transfers of assets as described in paragraph (a) of this section occurring after January 28, 1999, unless the transfer is pursuant to a written agreement which is (subject to customary conditions) binding on or before January 28, 1999.

**PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT**

**Par. 3.** The authority citation for part 602 continues to read as follows:

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

**Par. 4.** In § 602.101, paragraph (c) is amended by adding an entry in numerical order to the table to read as follows:

**§ 602.101 OMB Control numbers.**

CFR part or section where identified and described	Current OMB control No.
* * * * *	
(c) * * *	
* * * * *	
1.337(d)-4 .....	1545-1633
* * * * *	

**Robert E. Wenzel,**  
*Deputy Commissioner of Internal Revenue.*

Approved: December 17, 1998.

Dated: December 17, 1998.

**Donald C. Lubick,**  
*Assistant Secretary of the Treasury.*

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 300**

[FRL-6209-8]

**National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of deletion from the Frontera Creek Superfund Site from the National Priorities List.

**SUMMARY:** The Environmental Protection Agency (EPA) announces the deletion of the Frontera Creek Superfund Site (Site) located in Rio Abajo within the Municipality of Humacao, Puerto Rico, from the National Priorities List (NPL). The NPL is Appendix B of 40 CFR Part 300 which is the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), which EPA promulgated pursuant to Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended. EPA and the Puerto Rico Environmental Quality Board have determined that the Site poses no significant threat to public health or the environment and, therefore, no further response actions pursuant to CERCLA are appropriate.

**EFFECTIVE DATE:** December 29, 1998.

**FOR FURTHER INFORMATION CONTACT:** Luis E. Santos, Remedial Project Manager, U.S. Environmental Protection Agency, Region 2, Caribbean Environmental Protection Division (CEPD), Centro Europa Building, Suite 417, 1492 Ponce de León Ave., Stop 22, San Juan, Puerto Rico 00907-4127, (787) 729-6951 Ext. 223.

**SUPPLEMENTARY INFORMATION:** The Site to be deleted from the NPL is: the Frontera Creek Superfund Site, Rio Abajo, Puerto Rico.

A Notice of Intent to Delete for this Site was published on July 30, 1998 (63 FR 40685-40687). The closing date for comments on the Notice of Intent to Delete was August 31, 1998. EPA held a public availability session on the proposal to delete the Site from the NPL on August 20, 1998 at the Humacao Town Hall. EPA received two letters offering comments. EPA responded to the letters and no further action is required. Copies of the letters and the responses are available in the Administrative Record File.

EPA identifies sites that appear to present a significant risk to public health, welfare, or the environment and it maintains the NPL as the list of those

sites. As described in 40 CFR 300.425(e)(3) of the NCP, any site deleted from the NPL remains eligible for remedial actions in the unlikely event that conditions at the site warrant such action in the future. Deletion of a site from the NPL does not affect responsible party liability or impede agency efforts to recover costs associated with response efforts.

**List of Subjects in 40 CFR Part 300**

Environmental protection, Air pollution control, Chemicals, Hazardous waste, Hazardous substances, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Superfund, Water pollution control, Water supply.

Dated: December 14, 1998.

**William Muszynski,**

*Acting Regional Administrator, U.S. EPA Region II.*

For the reasons set out in the preamble, 40 CFR Part 300 is amended as follows:

**PART 300—[AMENDED]**

1. The authority citation for Part 300 continues to read as follows:

**Authority:** 42 U.S.C. 9601–9657; 33 U.S.C. 1321(c)(2); E.O. 12777, 56 FR 54757, 3 CFR 1991 Comp., p. 351; E.O. 12580, 52 FR 2923; 3 CFR, 1987 Comp., p. 193.

**Appendix B—[Amended]**

2. Table 1 of Appendix B to Part 300 is amended by removing the site, “Frontera Creek, Rio Abajo, Puerto Rico.”

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 300**

[FRL–6209–3]

**National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of deletion for the Hill Property portion of the American Cyanamid Superfund Site from the National Priorities List.

**SUMMARY:** The United States Environmental Protection Agency (EPA) announces the deletion of the Hill Property (HP) portion of the American Cyanamid Superfund Site from the National Priorities List (NPL). The American Cyanamid Site is located in Bound Brook, New Jersey in the southeastern section of Bridgewater Township, Somerset County. The NPL is Appendix B of 40 CFR Part 300 which is the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), which EPA promulgated pursuant to Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended. EPA and the State of New Jersey have determined that all appropriate response actions under CERCLA have been implemented at the HP portion of the American Cyanamid site to protect human health, welfare and the environment. This partial deletion pertains only to the HP portion of the American Cyanamid Site and does not include the other portions of the American Cyanamid Site.

**EFFECTIVE DATE:** December 29, 1998.

**FOR FURTHER INFORMATION CONTACT:** Jeff Catanzarita, Remedial Project Manager, U.S. Environmental Protection Agency, Region II, 290, Broadway—19th Floor, New York, NY 10007–1866, (212) 637–4409.

**SUPPLEMENTARY INFORMATION:** The site to be partially deleted from the NPL is: the Hill Property (HP) portion of the American Cyanamid Site located in Bridgewater, Somerset County, New Jersey.

A Notice of Intent to Delete for the HP portion was published on October 20, 1998 (63 FR 55986). The closing date for comments on the Notice of Intent to Delete was November 19, 1998. EPA received no comments. The Deletion Docket may be reviewed at the EPA Region II office in New York, New York, the Bridgewater Town Hall and

Somerset County/Bridgewater Library in Bridgewater, New Jersey, and New Jersey Department of Environmental Protection office in Trenton, New Jersey.

EPA identifies sites that appear to present a significant risk to public health, welfare, or the environment and it maintains the NPL as the list of those sites. As described in 40 CFR 300.425(e)(3) of the NCP, any site or portion thereof deleted from the NPL remains eligible for remedial actions in the unlikely event that conditions warrant such action in the future. Deletion of a portion of a site from the NPL does not affect responsible party liability or impede agency efforts to recover costs associated with response efforts.

**List of Subjects in 40 CFR Part 300**

Environmental protection, Air pollution control, Chemicals, Hazardous waste, Hazardous substances, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Superfund, Water pollution control, Water supply.

Dated: December 12, 1998.

**William Muszynski,**

*Acting Regional Administrator, Region I.*

For the reasons set out in the preamble, 40 CFR Part 300 is amended as follows:

**PART 300—[AMENDED]**

1. The authority citation for Part 300 continues to read as follows:

**Authority:** 42 U.S.C. 9601–9657; 33 U.S.C. 1321(c)(2); E.O.12777, 56 FR 54757, 3 CFR 1991 Comp., p.351; E.O. 12580, 52 FR 2923; 3 CFR, 1987 Comp., p. 193.

2. Table 1 of Appendix B to Part 300 is amended by revising the entry for “American Cyanamid Co., Bound Brook, New Jersey” to read as follows:

**Appendix B to Part 300—National Priorities List**

TABLE 1.—GENERAL SUPERFUND SECTION

State	Site name	City/County	Notes(a)
NJ	American Cyanamid Co.	Bound Brook	P

(a) \* \* \*

P=Sites with partial deletion(s).