for purposes of further development and diffusion of TIP-related technologies. In no event will TIP provide recommendations, endorsements, or approvals of any TIP funding Recipients to any outside party.

§ 296.33 Annual report.

The Director shall submit annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives a report describing the Technology Innovation Program's activities, including a description of the metrics upon which award funding decisions were made in the previous fiscal year, any proposed changes to those metrics, metrics for evaluating the success of ongoing and completed awards, and an evaluation of ongoing and completed awards. The first annual report shall include best practices for management of programs to stimulate high-risk, high-reward research.

[FR Doc. E8–4562 Filed 3–6–08; 8:45 am] BILLING CODE 3510–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-137573-07]

RIN 1545-BH20

Guidance Under Section 1502; Amendment of Matching Rule for Certain Gains on Member Stock

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations concerning the treatment of certain intercompany gains with respect to member stock within a consolidated group. The text of those regulations also serves as the text of these proposed regulations. These regulations affect corporations filing consolidated returns.

DATES: Written or electronic comments and requests for a public hearing must be received by June 5, 2008.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-137573-07), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be handdelivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-137573-07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-137573-07).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, John F. Tarrant or Ross E. Poulsen, (202) 622–7790; concerning submission of comments and/or requests for a public hearing, Kelly Banks, (202) 622–0932 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

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 1502 relating to the filing of consolidated returns. The temporary regulations revise § 1.1502—13(c)(6)(ii)(C) to provide for the redetermination of an intercompany gain as excluded from gross income in certain member stock transactions. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 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) does not apply to these regulations. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that these regulations primarily affect affiliated groups of corporations, which tend to be larger businesses. Moreover, the number of taxpayers affected is minimal and the regulations provide relief in certain narrow circumstances. 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, these regulations have been submitted to the Chief Counsel for Advocacy of the Small **Business Administration for comment** on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and 8 copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. In particular, the IRS and Treasury Department do not foresee situations in which it should be necessary to invoke § 1.1502-13(c)(6)(ii)(C) (the "Commissioner's Discretionary Rule") with respect to intercompany gain on property other than stock. Nevertheless, the IRS and Treasury Department request comments on whether any such situations are not appropriately addressed by other provisions of § 1.1502-13. The Commissioner's Discretionary Rule will be retained while the IRS and Treasury Department consider such comments. However, absent compelling comments, the IRS and Treasury Department anticipate ultimately eliminating the Commissioner's Discretionary Rule. All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the Federal Register.

Drafting Information

The principal author of these regulations is John F. Tarrant, Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and Treasury Department participated in their development.

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 adding an entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * * Section 1.1502–13 also issued under 26 U.S.C. 1502. * * *

Par. 2. Section 1.1502–13 is amended by revising paragraphs (c)(6)(ii)(C),

(f)(7)(i) and (f)(7)(ii)(A) to read as follows:

§1.1502-13 Intercompany transactions.

- (c) * * *
- (6) * * *
- (ii) * * *
- (C) [The text of proposed § 1.1502–13(c)(6)(ii)(C) is the same as the text of § 1.1502–13T(c)(6)(ii)(C) published elsewhere in this issue of the **Federal Register**].
- (1) [The text of proposed \S 1.1502—13(c)(6)(ii)(C)(1) is the same as the text of \S 1.1502—13T(c)(6)(ii)(C)(1) published elsewhere in this issue of the **Federal Register**.

(C)(2) [The text of proposed § 1.1502–13(c)(6)(ii)(C)(2) is the same as the text of § 1.1502–13T(c)(6)(ii)(C)(2) published elsewhere in this issue of the **Federal Register**.

(C)(2)(i) [The text of proposed $\S 1.1502-13(c)(6)(ii)(C)(2)(i)$ is the same as the text of $\S 1.1502-13T(c)(6)(ii)(C)(2)(i)$ published elsewhere in this issue of the **Federal Register**].

(f) * * *

- (7) [The text of proposed § 1.1502–13(f)(7) is the same as the text of § 1.1502–13T(f)(7) published elsewhere in this issue of the **Federal Register**].
- (i) [The text of proposed § 1.1502–13(f)(7)(i) is the same as the text of § 1.1502–13T(f)(7)(i) published elsewhere in this issue of the **Federal Register**].
- (ii) [The text of proposed § 1.1502–13(f)(7)(ii) is the same as the text of § 1.1502–13T(f)(7)(ii) published elsewhere in this issue of the **Federal Register**].
- (A) [The text of proposed $\S 1.1502-13(f)(7)(ii)(A)$ is the same as the text of $\S 1.1502-13T(f)(7)(ii)(A)$ published elsewhere in this issue of the **Federal Register**].

* * * * *

Linda E. Stiff,

Deputy Commissioner for Services and Enforcement.

[FR Doc. E8–4571 Filed 3–6–08; 8:45 am] BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-127391-07]

RIN 1545-BH02

Guidance Under Section 664
Regarding the Effect of Unrelated
Business Taxable Income on
Charitable Remainder Trusts

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of hearing.

SUMMARY: This document contains proposed regulations that provide guidance under Internal Revenue Code (Code) section 664 on the tax effect of unrelated business taxable income (UBTI) on charitable remainder trusts. The proposed regulations reflect the changes made to section 664(c) by section 424(a) and (b) of the Tax Relief and Health Care Act of 2006. The proposed regulations affect charitable remainder trusts that have UBTI in taxable years beginning after December 31, 2006. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by May 6, 2008. Outlines of topics to be discussed at the public hearing scheduled for April 11, 2008, must be received by March 28, 2008.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-127391-07), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-127391-07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC; or sent electronically via the Federal eRulemaking Portal at http://www.regulations.gov (IRS REG-127391-07).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Cynthia Morton at (202) 622–3060; concerning submissions of comments, the hearing, and/or access list to attend the hearing, contact Richard Hurst at (202) 622–7180 (not toll-free numbers) or e-mail at

Richard.A.Hurst@irscounsel.treas.gov.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information in this notice of proposed rulemaking have been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent 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, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer,

SE:W:CAR:MP:T:T:SP; Washington, DC 20224. Comments on the collection of information should be received by May 6, 2008.

Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information;

How the quality, utility, and clarity of the information to be collected may be enhanced:

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of service to provide information.

The collection of information in the proposed regulation is in § 1.664–1(c). This information is required to report the excise tax imposed by section 664(c) of the Code. The likely respondents are trustees of charitable remainder trusts.

Estimated total annual reporting and/or recordkeeping burden: 50 hours.

Estimated average annual burden per respondent and/or recordkeeper: .5 hours.

Estimated number of respondents and/or recordkeepers: 100.

Estimated annual frequency of responses: Once.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books and records relating to a collection of information must be retained as long as their contents may