

March 9, 2002. Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** revise § 1.448-2T of part 1 of title 26 of the Code of Federal Regulations. Those regulations pertain to the nonaccrual of certain amounts by taxpayers using an accrual method of accounting and performing services. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments and these proposed regulations.

### 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 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 upon the fact that, as previously noted, the estimated burden associated with the information collection averages three hours per respondent. Moreover, for taxpayers who are eligible to use these regulations and who follow these regulations, any burden imposed on taxpayers due to the collection of information in these regulations will be outweighed by the benefit taxpayers will receive by accruing less income than otherwise would be required. 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 notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact.

### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed rule and how it may be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for December 10, 2003, beginning at 10 a.m. in the IRS Auditorium of the Internal Revenue Building, 1111

Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit electronic or written comments and an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by November 19, 2003.

A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

### Drafting Information

The principal author of these regulations is Terrance McWhorter, Office of Associate Chief Counsel (Income Tax and Accounting). 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 for part 1 continues to read in part as follows:

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

**Par. 2.** Section 1.448-2 is added as follows:

#### § 1.448-2 Nonaccrual of certain amounts by service providers.

[The text of proposed § 1.448-2 is the same as the text of § 1.448-2T published

elsewhere in this issue of the **Federal Register**.]

**Judith B. Tomaso,**

*Acting Deputy Commissioner for Services and Enforcement.*

[FR Doc. 03-22459 Filed 9-3-03; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-116914-03]

RIN 1545-BC06

#### Transfer of Compensatory Options; Correction

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

**ACTION:** Correction to notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** This document contains a correction to a notice of proposed rulemaking by cross-reference to temporary regulations that were published in the **Federal Register** on Wednesday, July 2, 2003 (68 FR 39498), relating to the sale or other disposition of compensatory nonstatutory stock options to related persons.

**FOR FURTHER INFORMATION CONTACT:** Stephen Tackney at (202) 622-6030 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The notice of proposed rulemaking by cross-reference to temporary regulations that is the subject of this correction is under section 83 of the Internal Revenue Code.

##### Need for Correction

As published, the notice of proposed rulemaking by cross-reference to temporary regulations contains an error that may prove to be misleading and is in need of clarification.

##### Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking by cross-reference to temporary regulations (REG-116914-03), that was the subject of FR Doc. 03-16787, is corrected as follows:

On page 39498, column 2, in the preamble under the paragraph heading "Special Analyses", second line, the language "temporary regulations are not

a” is corrected to read “proposed regulations are not a”.

**Cynthia E. Grigsby,**

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

[FR Doc. 03–22552 Filed 9–3–03; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–131997–02]

RIN 1545–BA85

#### Section 42 Carryover and Stacking Rule Amendments; Correction

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

**ACTION:** Correction to notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains corrections to a notice of proposed rulemaking and notice of public hearing that was published in the **Federal Register** on Monday, July 7, 2003 (68 FR 40218), that amends several existing regulations concerning the low-income housing tax credit.

**FOR FURTHER INFORMATION CONTACT:** Lauren R. Taylor, (202) 622–3040, or Christopher J. Wilson, (808) 539–2874 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The notice of proposed rulemaking and notice of public hearing that is the subject of this correction is under section 42 of the Internal Revenue Code.

##### Need for Correction

As published, the notice of proposed rulemaking and notice of public hearing contains errors that may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the publication of the notice of proposed regulations and notice of public hearing (REG–131997–02), that was the subject of FR Doc. 03–16941, is corrected as follows:

1. On page 40218, column 3, in the preamble under the paragraph heading **ADDRESSES**, third line from the bottom of the paragraph, the language “room 2615, Internal Revenue Building,” is corrected to read “room 4718, Internal Revenue Building.”.

#### § 1.42–12 [Corrected]

2. On page 40222, column 2, § 1.42–12(a)(2), second paragraph, line 4 from the bottom, the language, “before these regulations are published as” is corrected to read “before the date these regulations are published as”.

3. On page 40222, column 2, § 1.42–12(a)(3), third paragraph, last line, the language, “effect on and before these regulations” is corrected to read “effect on and before the date these regulations”.

4. On page 40223, column 2, § 1.42–14(k)(2), *Example 2*, paragraph (ii), line 12, the language, “Pool. The \$120 in credit determined by the” is corrected to read “Pool. The \$120 in credit determined by”.

5. On page 40224, column 1, § 1.42–14(l)(1), “Effective dates”, line 2, the language, “Except as provided in paragraph (l)(2), is corrected to read “Except as provided in paragraph (l)(2) of this section.”.

**Cynthia E. Grigsby,**

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

[FR Doc. 03–22551 Filed 9–3–03; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–130262–03]

RIN 1545–BC28

#### Guidance Under Section 1502; Stock Basis After a Group Structure Change; Correction

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

**ACTION:** Correction to notice of proposed rulemaking.

**SUMMARY:** This document contains corrections to a notice of proposed rulemaking that was published in the **Federal Register** on Tuesday, July 8, 2003 (68 FR 40579), that relate to stock basis after a group structure change.

**FOR FURTHER INFORMATION CONTACT:** Marlene Oppenheim or Ross Poulsen at (202) 622–7770; concerning submission of comments and/or requests for a public hearing, Sonya Cruse, (202) 622–7180 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The notice of proposed rulemaking that is the subject of this correction is

under section 1502 of the Internal Revenue Code.

##### Need for Correction

As published, the notice of proposed rulemaking contains errors that may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the publication of the notice of proposed regulations (REG–130262–03), that was the subject of FR Doc. 03–17091, is corrected as follows:

1. On page 40579, column 3, under paragraph heading **FOR FURTHER INFORMATION CONTACT:** lines 5 and 6, the language, “public hearing, Sonya Cruse, (202) 622–7180 (not toll-free numbers).” is corrected to read “public hearing, Sonya Cruse, (202) 622–4693 (not toll-free numbers).”.

#### § 1.1502–31 [Corrected]

2. On page 40580, column 2, § 1.1502–31(b)(2), lines 10 through 13, the language, “has, or would otherwise have, a basis determined in whole or in part by reference to the basis of the property exchanged for such stock is” is corrected to read “is, or would otherwise be, transferred basis property is”.

3. On page 40580, column 2, § 1.1502–31(d)(2)(ii), lines 14 through 18, the language, “change and the basis of such stock would otherwise be determined in whole or in part by reference to the basis of the property exchanged for such stock, only and allocable part of the basis” is corrected to read “change and such stock would otherwise be transferred basis property, only an allocable part of the basis”.

4. On page 40581, column 2, *Example 3.*, lines 11 through 14, the language, “basis in its acquired T stock is not determined in whole or in part by reference to the basis of the property exchanged for such stock. (Because of P’s use of cash, the” is corrected to read “acquired T stock is not transferred basis property. (Because of P’s use of cash, the”.

**Cynthia E. Grigsby,**

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

[FR Doc. 03–22553 Filed 9–3–03; 8:45 am]

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