

§ 416.1204 Deeming of resources of the sponsor of an alien.

The resources of an alien who first applies for SSI benefits after September 30, 1980, are deemed to include the resources of the alien's sponsor for 3 years after the alien's date of admission into the United States. The *date of admission* is the date established by the U.S. Citizenship and Immigration Services as the date the alien is admitted for permanent residence.

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Subpart R—[Amended]

7. The authority citation for subpart R of part 416 continues to read as follows:

Authority: Secs. 702(a)(5), 1612(b), 1614(b), (c), and (d), and 1631(d)(1) and (e) of the Social Security Act (42 U.S.C. 902(a)(5), 1382a(b), 1382c(b), (c), and (d), and 1383(d)(1) and (e)).

8. Amend § 416.1851 by revising the first sentence of paragraph (c) and adding a new second sentence to read as follows:

§ 416.1851 Effects of being considered a child.

* * * * *

(c) If you are under age 18 and live with your parent(s) who is not eligible for SSI benefits, we consider (deem) part of his or her income and resources to be your own. If you are under age 18 and live with both your parent and your parent's spouse (stepparent) and neither is eligible for SSI benefits, we consider (deem) part of their income and resources to be your own.

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DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-114126-07]

RIN 1545-BG54

Reduction of Foreign Tax Credit Limitation Categories Under Section 904(d)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section in this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance

relating to the reduction of the number of separate foreign tax credit limitation categories under section 904(d) of the Internal Revenue Code. Changes to the applicable law were made by the American Jobs Creation Act of 2004 (AJCA) reducing the number of section 904(d) separate categories from eight to two, effective for taxable years beginning after December 31, 2006. The temporary regulations provide guidance needed to comply with these changes and affect individuals and corporations claiming foreign tax credits. The text of those temporary regulations published in this issue of the **Federal Register** also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by March 20, 2008. Outlines of topics to be discussed at the public hearing scheduled for April 22, 2008, at 10 a.m. must be received by April 1, 2008.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-114126-07), room 5203, Internal Revenue Service, P.O. 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-114126-07), Courier's desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20044, or sent electronically, via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-114126-07). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Jeffrey L. Parry, (202) 622-3850; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Kelly Banks, (202) 622-7180 (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** contain amendments to the Income Tax Regulations (26 CFR Part 1) which provide rules relating to the reduction of the number of separate foreign tax credit limitation categories under section 904(d). The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the

temporary regulations and these proposed regulations. The regulations affect individuals and corporations claiming foreign tax credits.

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 has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f), these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Public Hearing

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

A public hearing has been scheduled for April 26, 2008, in the auditorium, 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 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 by March 20, 2008 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 April 1, 2008. 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 Jeffrey L. Parry of the Office of Chief Counsel (International). However, other personnel from the Treasury Department and the IRS 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 continues to read in part as follows:

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

Par. 2. Section 1.904–2(i) is added to read as follows:

§ 1.904–2 Carryback and carryover of unused foreign tax.

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(i) [The text of proposed § 1.904–2(i) is the same as the text of § 1.904–2T(i)(1) through (3) published elsewhere in this issue of the **Federal Register**.]

Par. 3. In § 1.904–4, paragraphs (a), (b), (h)(3), and (l) are revised and paragraph (n) is added to read as follows:

§ 1.904–4 Separate application of section 904 with respect to certain categories of income.

(a) [The text of the proposed amendment to § 1.904–4(a) is the same as the text of § 1.904–4T(a) published elsewhere in this issue of the **Federal Register**.]

(b) [The text of the proposed amendment to § 1.904–4(b) is the same as the text of § 1.904–4T(b) published elsewhere in this issue of the **Federal Register**.]

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(h) * * *

(3) [The text of the proposed amendment to § 1.904–4(h)(3) is the same as the text of § 1.904–4T(h)(3) published elsewhere in this issue of the **Federal Register**.]

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(l) [The text of the proposed amendment to § 1.904–4(l) is the same

as the text of § 1.904–4T(l) published elsewhere in this issue of the **Federal Register**.]

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(n) [The text of proposed § 1.904–4(n) is the same as the text of § 1.904–4T(n) published elsewhere in this issue of the **Federal Register**.]

Par. 4. In § 1.904–5, paragraph (h)(3) is revised and paragraph (o)(3) is added to read as follows:

§ 1.904–5 Look-through rules as applied to controlled foreign corporations and other entities.

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(h) * * *

(3) [The text of the proposed amendment to § 1.904–5(h)(3) is the same as the text of § 1.904–5T(h)(3) published elsewhere in this issue of the **Federal Register**.]

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(o) * * *

(3) [The text of proposed § 1.904–5(o)(3) is the same as the text of § 1.904–5T(o)(3) published elsewhere in this issue of the **Federal Register**.]

Par. 5. Section 1.904–7(g) is added to read as follows:

§ 1.904–7 Transition rules.

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(g) [The text of proposed § 1.904–7(g) is the same as the text of § 1.904–7T(g)(1) through (6) published elsewhere in this issue of the **Federal Register**.]

Par. 6. § 1.904(f)–12(h) is added to read as follows:

§ 1.904(f)–12 Transition rules.

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(h) [The text of proposed § 1.904–12(h) is the same as the text of § 1.904–12T(h)(1) through (h)(6) published elsewhere in this issue of the **Federal Register**.]

Linda E. Stiff,

Deputy Commissioner for Services and Enforcement.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–141399–07]

RIN 1545–BH13

Treatment of Overall Foreign and Domestic Losses

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section in this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance relating to the recapture of overall foreign and domestic losses. Changes to the applicable law were made by the American Jobs Creation Act of 2004, as corrected by the Gulf Opportunity Zone Act of 2005. The temporary regulations provide guidance needed to comply with these changes, as well as updated guidance with respect to overall foreign losses and separate limitation losses, and affect individuals and corporations claiming foreign tax credits. The text of those temporary regulations published in this issue of the **Federal Register** also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by March 20, 2008. Outlines of topics to be discussed at the public hearing scheduled for April 10, 2008, at 10 a.m. must be received by March 20, 2008.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG–141399–07), 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–141399–07), Courier's desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20044, or sent electronically, via the Federal eRulemaking Portal at www.regulations.gov (IRS REG–141399–07). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Jeffrey L. Parry, (202) 622–3850 (not a toll free number); concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Richard Hurst, Richard.A.Hurst@irs.counsel.treas.gov.

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) providing rules relating to the recapture of overall domestic losses under section