

X is considered to be created or organized in State B as a LLC upon the filing of the certificate of domestication and is therefore subject to the laws of State B. Under the rules of this section and § 301.7701-3, a LLC with a single owner organized only in State B is disregarded as an entity separate from its owner for Federal tax purposes (absent an election to be treated as an association). Neither Country A nor State B law requires X to terminate its charter in Country A as a result of the domestication, and in fact X does not terminate its charter in Country A. Consequently, X is now organized in more than one jurisdiction.

(ii) *Result.* X remains organized under the laws of Country A as an entity that is specifically mentioned in § 301.7701-2(b)(8)(i), and as such, it is an entity that generally is treated as a corporation under the rules of this section. Therefore, X is a corporation for Federal tax purposes because the rules of this section would treat X as a corporation as a result of its formation in one of the jurisdictions in which it is created or organized.

Example 2. (i) *Facts.* Y is an entity that is incorporated under the laws of State A and that has two shareholders. Under the rules of this section, an entity incorporated under the laws of State A is a corporation for Federal tax purposes. Several years after its formation, Y files a certificate of continuance in Country B as an unlimited company. Under the laws of Country B, upon filing a certificate of continuance, Y is treated as organized in Country B. Under the rules of this section and § 301.7701-3, an unlimited company organized only in Country B that has more than one owner is treated as a partnership for Federal tax purposes (absent an election to be treated as an association). Neither State A nor Country B law requires Y to terminate its charter in State A as a result of the continuance, and in fact Y does not terminate its charter in State A. Consequently, Y is now organized in more than one jurisdiction.

(ii) *Result.* Y remains organized in State A as a corporation, an entity that is treated as a corporation under the rules of this section. Therefore, Y is a corporation for Federal tax purposes because the rules of this section would treat Y as a corporation as a result of its formation in one of the jurisdictions in which it is created or organized.

Example 3. (i) *Facts.* Z is an entity that has more than one owner and that is recognized under the laws of Country A as an unlimited company organized in Country A. Under the rules of this section and § 301.7701-3, an unlimited company organized only in Country A with more than one owner is treated as a partnership for Federal tax purposes (absent an election to be treated as an association). At the time Z was formed, it was also organized as a public limited company under the laws of Country B. Under the rules of this section, a public limited company organized only in Country B generally is treated as a corporation for Federal tax purposes.

(ii) *Result.* Z is organized in Country B as a public limited company, an entity that generally is treated as a corporation under the rules of this section. Therefore, Z is a

corporation for Federal tax purposes because the rules of this section would treat Z as a corporation as a result of its formation in one of the jurisdictions in which it is created or organized.

(c) through (e) [Reserved]. For further guidance, see § 301.7701-2(c) through (e).

(f) *Special effective date.* The rules of this section apply as of August 12, 2004 to all business entities existing on or after that date.

■ **Par. 6.** In § 301.7701-3, the last sentence of paragraph (b)(3)(i) is revised to read as follows:

§ 301.7701-3 Classification of certain business entities.

* * * * *

(b) * * *

(3) * * * (i) * * * For special rules regarding the classification of such entities prior to the effective date of this section, see paragraph (h)(2) of this section.

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■ **Par. 7.** Section 301.7701-5 is revised to read as follows:

§ 301.7701-5 Domestic and foreign business entities. [Reserved]. For further guidance, see § 301.7701-5T.

■ **Par. 8.** Section 301.7701-5T is added to read as follows:

§ 301.7701-5T Domestic and foreign business entities (temporary).

(a) *Domestic and foreign entities.* A business entity (including an entity that is disregarded as separate from its owner) is domestic if it is created or organized as any type of entity (including, but not limited to, a corporation, unincorporated association, general partnership, limited liability partnership, and limited liability company) in the United States, or under the law of the United States or of any State. Accordingly, a business entity that is created or organized both in the United States and in a foreign jurisdiction is a domestic entity. A business entity (including an entity that is disregarded as separate from its owner) is foreign if it is not domestic. (The determination of whether an entity is domestic is made independently of the determination of its classification for Federal tax purposes. See §§ 301.7701-2, 301.7701-2T, and 301.7701-3 for the rules governing the classification of entities.)

(b) *Examples.* The following examples illustrate the rules of this section:

Example 1. (i) *Facts.* Y is an entity that is created or organized under the laws of Country A as a public limited company. It is also an entity that is organized as a limited liability company (LLC) under the laws of

State B. Y has been classified as a corporation for Federal tax purposes under the rules of §§ 301.7701-2, 301.7701-2T, and 301.7701-3.

(ii) *Result.* Y is a domestic corporation because it is an entity that is classified as a corporation and it is organized as an entity under the laws of State B.

Example 2. (i) *Facts.* P is an entity with more than one owner organized under the laws of Country A as an unlimited company. It is also an entity that is organized as a general partnership under the laws of State B. P has been classified as a partnership for Federal tax purposes under the rules of §§ 301.7701-2, 301.7701-2T, and 301.7701-3.

(ii) *Result.* P is a domestic partnership because it is an entity that is classified as a partnership and it is organized as an entity under the laws of State B.

(c) *Effective date.* The rules of this section apply as of August 12, 2004 to all business entities existing on or after that date.

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

Approved: July 21, 2004.

Gregory Jenner,

Acting Assistant Secretary of the Treasury.
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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[CGD05-04-144]

RIN 1625-AA08

Special Local Regulations for Marine Events; Delaware River, Philadelphia, PA

AGENCY: Coast Guard, DHS.

ACTION: Notice of implementation of regulation.

SUMMARY: The Coast Guard is implementing the special local regulations at 33 CFR 100.509 during the Labor Day Fireworks Show to be held September 6, 2004, on the Delaware River at Philadelphia, Pennsylvania. These special local regulations are necessary to provide for the safety of life on navigable waters before, during and after the event. The effect will be to restrict general navigation in the regulated area for the safety of spectators and support vessels in the event area.

DATES: 33 CFR 100.509 will be enforced from 7:30 p.m. to 9 p.m. e.d.t. on September 6, 2004.

FOR FURTHER INFORMATION CONTACT: Fernando Serrano, Marine Information Specialist, Commander, Coast Guard Group Philadelphia, 1 Washington Avenue, Philadelphia, Pennsylvania 19147, (215) 271-4944.

SUPPLEMENTARY INFORMATION: The Penn's Landing Corporation will sponsor the "Labor Day Fireworks Show" on September 6, 2004, on the Delaware River, adjacent to Penn's Landing, Philadelphia, Pennsylvania. In order to ensure the safety of participants, spectators and transiting vessels, 33 CFR 100.509 will be enforced for the duration of the event. The special local regulations will be enforced from 7:30 p.m. to 9 p.m. e.d.t. on September 6, 2004. The pyrotechnic display will be launched from 1 barge located within the regulated area. Under provisions of 33 CFR 100.509, a vessel may not enter the regulated area unless it receives permission from the Coast Guard Patrol Commander. Spectator vessels may anchor outside the regulated area but may not block a navigable channel.

In addition to this notice, the maritime community will be provided extensive advance notification via the Local Notice to Mariners, marine information broadcasts, and area newspapers, so mariners can adjust their plans accordingly.

Dated: August 3, 2004.

Sally Brice-O'Hara,
*Rear Admiral, U.S. Coast Guard, Commander,
Fifth Coast Guard District.*

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD08-04-028]

RIN 1625-AA09

Drawbridge Operation Regulation; Terrebonne Bayou, Houma, LA

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is removing the existing drawbridge operation regulation for the draw of the SR 24 bridge across Terrebonne Bayou, mile 31.3, at Houma, Louisiana. The existing bridge has been modified by permit from a movable bridge to a fixed bridge. Since the bridge is no longer a movable bridge, the regulation controlling the

opening and closing of the bridge is no longer necessary.

DATES: This rule is effective August 12, 2004.

ADDRESSES: Documents referred to in this rule are available for inspection or copying at the office of the Eighth Coast Guard District, Bridge Administration Branch, 500 Poydras Street, New Orleans, Louisiana 70130-3310, between 7 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The telephone number is (504) 589-2965. The Eighth District Bridge Administration Branch maintains the public docket for this rulemaking.

FOR FURTHER INFORMATION CONTACT: David Frank, Bridge Administration Branch, at (504) 589-2965.

SUPPLEMENTARY INFORMATION:

Good Cause for Not Publishing an NPRM

We did not publish a notice of proposed rulemaking (NPRM) for this regulation. Under 5 U.S.C. 553(b)(B), the Coast Guard finds good cause exists for not publishing an NPRM. Public comment is not necessary since the bridge that the regulation governed has been modified from a movable bridge to a fixed and does not open for the passage of vessels.

Good Cause for Making Rule Effective in Less Than 30 Days

Under 5 U.S.C. 553(d)(3), the Coast Guard finds good cause exists for making this rule effective in less than 30 days after publication in the **Federal Register** because this rule removed the regulation used for the operation of a movable bridge that has been modified to become a fixed bridge. The modification has already taken place and the removal of the regulation will not affect mariners.

Background and Purpose

In 1977, LDOTD requested a change to the operating regulations for the SR 24 vertical lift bridge. The request was to change the regulations on the bridge that the bridge need not open for the passage of vessels due to infrequent openings. The basis of the change is that between 1966 and 1977, the bridge only opened four times. The request for change was published in the **Federal Register** and by Public Notice. On January 1, 1978, the regulation regarding the bridge was approved so that the bridge need not open for the passage of vessels.

In 1982, LDOTD issued a work order to remove the counterweights, all of the overhead structural steel and the operator's house without prior

notification to the Coast Guard. This type of modification to the approved permit plans requires a Coast Guard bridge permit amendment. However, as a permit was not requested prior to the modification to the bridge, a permit amendment to change the bridge to a fixed bridge was applied for and granted after the fact. Since the bridge has been modified to a fixed bridge, a special operation regulation for a movable bridge is unnecessary.

This final rule removes the regulation regarding the SR 24 bridge.

Regulatory Evaluation

This rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not "significant" under the regulatory policies and procedures of the Department of Homeland Security (DHS).

A special operating regulation exists for movable bridges and as this bridge has been modified to a fixed bridge, the regulation is unnecessary. We expect the economic impact of this rule to be so minimal that a full Regulatory Evaluation under the regulatory policies and procedures of DHS is unnecessary.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601-612), we have considered whether this rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities. This rule will have no impact on any small entities. No small entities in the area have been affected by the modification of the bridge from a movable bridge to a fixed bridge.

Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), we want to assist small entities in understanding this rule so that they can better evaluate its effects on them and participate in the rulemaking process.