DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9392]

RIN 1545–BE11

Information Returns by Donees Relating to Qualified Intellectual Property Contributions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations that provide guidance for filing information returns by donees relating to qualified intellectual property contributions. These final regulations reflect changes to the law made in 2004. The regulations affect donees receiving net income from qualified intellectual property contributions made after June 3, 2004.

DATES: *Effective date:* These regulations are effective April 7, 2008.

Applicability date: For dates of applicability, see § 1.6050L–2(f).

FOR FURTHER INFORMATION CONTACT: Timothy S. Sheppard, (202) 622–4910 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these final regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545–1932. The collection of information in these final regulations is in § 1.6050L–2(a) and (b). Responses to this collection of information are required to obtain a tax benefit.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains amendments to the Income Tax Regulations (26 CFR Part 1) relating to section 6050L of the Internal Revenue Code (Code). These regulations reflect changes to the law made by the American Jobs Creation Act of 2004, Public Law 108–357 (118 Stat. 1418). On May 23, 2005, temporary regulations (TD 9206) relating to information returns by donees with respect to qualified intellectual property contributions under section 6050L were published in the **Federal Register** (70 FR 29450). A notice of proposed rulemaking (REG–158138–04) cross-referencing the temporary regulations was published in the **Federal Register** (70 FR 29460) on the same date. No comments were received from the public in response to the notice of proposed rulemaking and no public hearing was requested or held. Accordingly, the proposed regulations are adopted as amended by this Treasury decision and the corresponding temporary regulations are removed. The final regulations generally retain the provisions of the proposed and temporary regulations but eliminate transition rules that are no longer needed and make other minor editorial changes.

Explanation of Changes

The final regulations do not include certain transition rules that were included in the temporary and proposed regulations. Specifically, the proposed and temporary regulations provide guidance for donees on making the required information return before a form is prescribed by the IRS. The IRS has since issued a new Form 8899 on which donees must report qualified donee income. Thus, these transition rules are no longer needed and are not included in the final regulations. The proposed and temporary regulations also include a transition rule that applies to donees with taxable years to which net income from the qualified intellectual property is properly allocable that end prior to or on May 23, 2005, the issuance date of the proposed and temporary regulations. Under this transition rule, the donee shall furnish the information required under section 6050L to the donor on or before August 22, 2005. This transition rule is no longer needed and is not included in the final regulations.

Special Analyses

It has been determined that this Treasury decision 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. 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 upon the fact that few, if any, small entities will be required to file under these regulations. 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, the notice of proposed rulemaking preceding this regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Timothy S. Sheppard, Office of Associate Chief Counsel (Procedure and Administration).

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

■ Accordingly, 26 CFR parts 1 and 602 are 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.** § 1.6050L–2 is added to read as follows:

§ 1.6050L–2 Information returns by donees relating to qualified intellectual property contributions.

(a) *In general.* Each donee organization described in section 170(c), except a private foundation (as defined in section 509(a)), other than a private foundation described in section 170(b)(1)(F), that receives or accrues net income during a taxable year from any qualified intellectual property contribution (as defined in section 170(m)(8)) must make an annual information return on the form prescribed by the IRS. The information return is required for any taxable year of the donee that includes any portion of the 10-year period beginning on the date of the contribution, but not for taxable years beginning after the expiration of the legal life of the qualified intellectual property.

(b) *Information required to be provided on return.* The information

return required by section 6050L and paragraph (a) of this section shall include the following—

(1) The name, address, taxable year, and employer identification number of the donee making the information return;

(2) The name, address, and taxpayer identification number of the donor;

(3) A description of the qualified intellectual property in sufficient detail to identify the qualified intellectual property received by such donee;

(4) The date of the contribution to the donee;

(5) The amount of net income of the donee for the taxable year that is properly allocable to the qualified intellectual property (determined without regard to paragraph (10)(B) of section 170(m) and with the modifications described in paragraphs (5) and (6) of such section); and

(6) Such other information as may be specified by the form or its instructions.

(c) *Special rule—statement to be furnished to donors.* Every donee making an information return under section 6050L and this section with respect to a qualified intellectual property contribution shall furnish a copy of the information return to the donor of the property. The information return required by section 6050L and this section shall be furnished to the donor on or before the date the donee is required to file the return with the IRS.

(d) *Place and time for filing information return*—(1) *Place for filing.* The information return required by section 6050L and this section shall be filed with the IRS location listed on the prescribed form or in its instructions.

(2) *Time for filing.* A donee is required to file the return required by section 6050L and this section on or before the last day of the first full month following the close of the donee's taxable year to which net income from the qualified intellectual property is properly allocable.

(e) *Penalties.* For penalties for failure to comply with the requirements of this section, see sections 6721 through 6724.

(f) *Effective/applicability date.* The rules of this section apply to qualified intellectual property contributions made after June 3, 2004.

§ 1.6050L–2T [Removed]

■ **Par. 3.** Section 1.6050L–2T is removed.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 4.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 5.** In § 602.101, paragraph (b) is amended by removing the following entry from the table:

§ 602.101 OMB Control numbers.

* * * * *

(b) * * *

CFR part or section where identified and described	Current OMB control No.
* * * *	*
1.6050L–2T	1545–1932
* * * *	*

Linda E. Stiff,

Deputy Commissioner for Services and Enforcement.

Approved: March 31, 2008.

Eric Solomon,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. E8–7223 Filed 4–4–08; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 242

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 100

[FWS–R7–SM–2008–0036; 70101–1261–0000L6]

Subsistence Management Regulations for Public Lands in Alaska, Subpart D; Seasonal Adjustments

AGENCIES: Forest Service, USDA; Fish and Wildlife Service, Interior.

ACTION: Seasonal adjustments; hunting seasons for caribou in Unit 9D and female deer in Chichagof Controlled Use Area and Unit 4.

SUMMARY: This provides notice of the Federal Subsistence Board's in-season management actions to protect caribou populations in Unit 9D and female deer populations in the Northeast Chichagof Controlled Use Area and Unit 4. These actions provide an exception to the Subsistence Management Regulations for Public Lands in Alaska, published in the **Federal Register** on December 27, 2007. Those regulations established seasons, harvest limits, methods, and means relating to the taking of wildlife for subsistence uses during the 2007–08 regulatory year.

DATES: The closure of the subsistence caribou hunting season in Unit 9D is effective November 15, 2007, through March 31, 2008. The closure of the subsistence female deer hunting season in the portion of Unit 4 known as the Northeast Chichagof Controlled Use Area (NECCUA) was effective November 27, 2007, through January 26, 2008, and in the entirety of Unit 4 was effective January 1 through January 31, 2008. The Unit 4 closure beginning January 1, 2008, supersedes the NECCUA-specific closure on January 1, 2008.

FOR FURTHER INFORMATION CONTACT: Peter J. Probasco, Office of Subsistence Management, U.S. Fish and Wildlife Service, telephone (907) 786–3888. For questions specific to National Forest System lands, contact Steve Kessler, Subsistence Program Manager, USDA, Forest Service, Alaska Region, telephone (907) 786–3592.

SUPPLEMENTARY INFORMATION:

Background

Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) (16 U.S.C. 3111–3126) requires that the Secretary of the Interior and the Secretary of Agriculture (Secretaries) implement a joint program to grant a preference for subsistence uses of fish and wildlife resources on public lands in Alaska, unless the State of Alaska enacts and implements laws of general applicability that are consistent with ANILCA and that provide for the subsistence definition, preference, and participation specified in Sections 803, 804, and 805 of ANILCA. In December 1989, the Alaska Supreme Court ruled that the rural preference in the State subsistence statute violated the Alaska Constitution and therefore negated State compliance with ANILCA.

The Department of the Interior and the Department of Agriculture (Departments) assumed, on July 1, 1990, responsibility for implementation of title VIII of ANILCA on public lands. The Departments administer title VIII through regulations at title 50, part 100 and title 36, part 242 of the Code of Federal Regulations (CFR). Consistent with subparts A, B, and C of these regulations, as revised January 8, 1999 (64 FR 1276), the Departments established a Federal Subsistence Board to administer the Federal Subsistence Management Program. The Board's composition includes a Chair appointed by the Secretary of the Interior with concurrence of the Secretary of Agriculture; the Alaska Regional