

example, name, address, etc.) voluntarily submitted by the commenter may be publicly accessible. Do not submit confidential business information or otherwise sensitive or protected information. NOAA will accept anonymous comments (enter N/A in the required fields if you wish to remain anonymous). Attachments to electronic comments will be accepted in Microsoft Word, Excel, Wordperfect, or Adobe PDF file formats only.

FOR FURTHER INFORMATION CONTACT:

David A. Score, Superintendent, Florida Keys National Marine Sanctuary, 33 East Quay Road, Key West, FL 33040.

SUPPLEMENTARY INFORMATION:**Need for Correction**

In the preamble of the proposed rule, NOAA incorrectly stated that the U.S. Coast Guard regulation Rule 27e specified a minimum distance of 100 yards between vessels and “divers down” flags. In fact, only the applicable Florida Statute specifies the 100-yard minimum distance requirement (Section 327.331 FS). In order to be consistent with the regulations issued by the State of Florida and consistent in both state and federal waters of the sanctuary, NOAA proposes to change our regulations from “100 feet” in 922.163 (a)(5)(iii)(C) to “100 yards.” Requiring a uniform minimum distance in both state and federal waters simplifies the sanctuary regulations, and therefore improves compliance for sanctuary users and enforcement of a single regulation. The regulation allows both diving and vessel operations to occur in relatively the same area without conflict. A consistent regulation also allows for better public education programs. NOAA is preparing an environmental assessment pursuant to the National Environmental Policy Act to analyze the impacts associated with this modification to the Florida Keys National Marine Sanctuary regulations.

Request for Comments

NOAA reopens the public comment period on the proposed rule to make technical corrections and amendments to the FKNMS regulations.

Daniel J. Basta,

Director, Office of National Marine Sanctuaries.

[FR Doc. E9-4569 Filed 3-4-09; 8:45 am]

BILLING CODE 3510-22-M

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

[REG-143686-07]

RIN 1545-BH35

The Allocation of Consideration and Allocation and Recovery of Basis in Transactions Involving Corporate Stock or Securities; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains a correction to a notice of proposed rulemaking (REG-143686-07) that was published in the *Federal Register* on Wednesday, January 21, 2009 (74 FR 3509) providing guidance regarding the recovery of stock basis in distributions under section 301 and transactions that are treated as dividends to which section 301 applies, as well as guidance regarding the determination of gain and the basis of stock or securities received in exchange for, or with respect to, stock or securities in certain transactions. The proposed regulations affect shareholders and security holders of corporations. These proposed regulations are necessary to provide such shareholders and security holders with guidance regarding the allocation and recovery of basis on distributions of property.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations under sections 301, 302, and 304, Theresa Kolish, (202) 622-7530; concerning the proposed regulations under sections 351, 354, 355, 356, 358, 368, 1001, and 1016, Rebecca O. Burch, (202) 622-7550; concerning the proposed regulations under section 861, Jeffrey L. Parry, (202) 622-4476 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:**Background**

The correction notice that is the subject of this document is under sections 301, 302, 304, 351, 354, 355, 356, 358, 368, 861, 1001, 1016, and 1374 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-143686-07) 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 rulemaking (REG-

143686-07), which was the subject of FR Doc. E9-1100, is corrected as follows:

1. On page 3509, column 2, in the preamble, under the caption **SUMMARY**, line 3, the language “301, 302, 304, 351, 354, 356, 358, 368,” is corrected to read “301, 302, 304, 351, 354, 355, 356, 358, 368,”.

2. On page 3509, column 3, in the preamble, under the caption **FOR FURTHER INFORMATION CONTACT**, line 5, the language “under sections 351, 354, 356, 358, 368,” is corrected to read “under sections 351, 354, 355, 356, 358, 368,”.

3. On page 3510, column 1, in the preamble, under the paragraph heading “Explanation of Provisions”, second paragraph, line 6, the language “lead to the possibility of variant” is corrected to read “led to the possibility of variant”.

4. On page 3510, column 1, in the preamble, under the paragraph heading “Explanation of Provisions”, second paragraph, line 5 from the bottom of the paragraph, the language “was needed reconsidered. See REG-” is corrected to read “needed reconsideration. See REG-”.

5. On page 3510, column 2, in the preamble, under the paragraph heading “Explanation of Provisions”, second paragraph of the column, line 2, the language “that a share of stock is the basic unit of” is corrected to read “that a share of stock is a basic unit of”.

6. On page 3511, column 2, in the preamble, under the paragraph heading “C. Dividend Equivalent Reorganization Exchanges”, first paragraph of the column, line 7 from the bottom of the paragraph, the language “of stock solely for nonqualifying” is corrected to read “of stock solely for qualifying”.

§ 1.301-2 [Corrected]

7. On page 3513, column 3, § 1.301-2(a) *Example*.(i), last line of the column, the language “\$25 (Block 1) and 75 were acquired on Date” is corrected to read “\$25 (block 1) and 75 were acquired on Date”.

8. On page 3514, column 1, § 1.301-2(a) *Example*.(i), first line of the column, the language “2 for \$175 (Block 2). On December 31, when” is corrected to read “2 for \$175 (block 2). On December 31, when”.

§ 1.302-5 [Corrected]

9. On page 3514, column 1, § 1.302-5(a)(3)(i), line 4 from the bottom of the column, the language “*treated as loss*. If all the shares of the” is corrected to read “*treated as a loss*. If all the shares of the”.

10. On page 3515, column 1, § 1.302-5(e) *Example* 2.(ii), last line, the

language “5(a)(3)(ii).” is corrected to read “5(a)(4).”.

11. On page 3515, column 1, § 1.302–5(e) *Example 3(ii)*, line 2 from the bottom of the column, the language “shares of common stock. Therefore, the only” is corrected to read “shares of preferred stock. Therefore, the only”.

12. On page 3515, column 2, § 1.302–5(e) *Example 4(i)*, last line, the language “stock of Y.” is corrected to read “stock of Corporation Y.”.

13. On page 3515, column 2, § 1.302–5(e) *Example 4(ii)*, line 4, the language “deferred loss on a disposition of the” is corrected to read “deferred loss on the disposition of the”.

§ 1.304–2 [Corrected]

14. On page 3515, column 3, § 1.304–2(a), the language “*In general*” is corrected to read “*In general—*”.

15. On page 3515, column 3, § 1.304–2(a)(1), lines 1 through 3 from the bottom of the paragraph, the language “302(a) or 303 does not apply. For the amount constituting a dividend in such cases, see § 1.304–6.” is corrected to read “302(a) or 303 does not apply.”.

16. On page 3515, column 3, § 1.304–2(a)(3), line 2 from the bottom of the paragraph, the language “transferors basis in the stock of the” is corrected to read “transferor’s basis in the stock of the”.

17. On page 3516, column 1, § 1.304–2(c), line 2, the language “examples in this section, each of” is corrected to read “examples in this section, each”.

18. On page 3516, column 2, § 1.304–2(c) *Example 3(i)*, line 4, the language “common) and then acquired all of the” is corrected to read “common stock) and then acquired all of the”.

19. On page 3516, column 3, § 1.304–2(c) *Example 3(i)*, first line of the column, the language “common stock for \$100). Only corporation Y” is corrected to read “common stock for \$100). Only Corporation Y”.

20. On page 3516, column 3, § 1.304–2(c) *Example 3(ii)*, lines 4 through 11 from the bottom of the paragraph, the language “other 2 blocks of corporation Y shares. After the redemption transaction, all of Corporation W’s shares in corporation Y, including the deemed shares that are redeemed, are treated as exchanged in a recapitalization described in section 368(a)(1)(E). As a result, corporation W will have 100 shares in corporation Y, 50 shares” is corrected to read “other 2 blocks of Corporation Y shares. After the redemption transaction, all of Corporation W’s shares in Corporation Y, including the deemed shares that are redeemed, are treated as exchanged in a

recapitalization described in section 368(a)(1)(E). As a result, Corporation W will have 100 shares in Corporation Y, 50 shares”.

§ 1.351–2 [Corrected]

21. On page 3517, column 2, § 1.351–2(b) *Example.*, line 11, the language “to C. Gain, but not loss, is recognized by D.” is corrected to read “by C. Gain, but not loss, is recognized by D.”.

22. On page 3517, column 2, § 1.351–2(b) *Example.*, line 9 from the bottom of the paragraph, the language “of \$100 (B) \$30 cash and 30 shares of stock” is corrected to read “of \$100; (B) \$30 cash and 30 shares of stock”.

§ 1.355–1 [Corrected]

23. On page 3518, column 2, § 1.355–1(e)(2), line 13, the language “section 356 or both sections 355 and 356” is corrected to read “section 356, or both sections 355 and 356”.

§ 1.356–1 [Corrected]

24. On page 3518, column 3, § 1.356–1(d) *Example 3(i)*, lines 3 through 7, the language “on Date 1 for \$3 each (Block 1) and 10 shares of stock of Corporation X on Date 2 for \$9 each (Block 2). On Date 3, Corporation Y acquires the assets of Corporation X in a reorganization under section 368(a)(1)(A).” is corrected to read “on Date 1 for \$3 each (block 1) and 10 shares of stock of Corporation X on Date 2 for \$9 each (block 2). On Date 3, Corporation Y acquires the assets of Corporation X in a reorganization described in section 368(a)(1)(A).”.

25. On page 3518, column 3, § 1.356–1(d) *Example 3(ii)*, lines 14 through 18, the language “exchange of the Block 1 shares of Corporation X stock, \$50 of which is recognized under section 356 and paragraph (a) of this section, and J realizes a gain of \$10 on the exchange of the Block 2 shares of Corporation X stock,” is corrected to read “exchange of the block 1 shares of Corporation X stock, \$50 of which is recognized under section 356 and paragraph (a) of this section, and J realizes a gain of \$10 on the exchange of the block 2 shares of Corporation X stock,”.

26. On page 3518, column 3, § 1.356–1(d) *Example 4(i)*, lines 5 through 7, the language “exchange for J’s Block 1 shares of stock of Corporation X and \$100 of cash in exchange for J’s Block 2 shares of stock of corporation X.” is corrected to read “exchange for J’s block 1 shares of stock of Corporation X and \$100 of cash in exchange for J’s block 2 shares of stock of Corporation X.”.

27. On page 3518, column 3, § 1.356–1(d) *Example 4(ii)*, lines 4 through 12,

the language “Corporation Y in exchange for J’s Block 1 shares of stock of Corporation X and \$100 of cash in exchange for J’s Block 2 shares of stock of Corporation X and such terms are economically reasonable, such terms control. J realizes a gain of \$70 on the exchange of the Block 1 shares of stock, none of which is recognized under section 354. J realizes a gain of \$10 on the exchange of the Block 2” is corrected to read “Corporation Y in exchange for J’s block 1 shares of stock of Corporation X and \$100 of cash in exchange for J’s block 2 shares of stock of Corporation X and such terms are economically reasonable, such terms control. J realizes a gain of \$70 on the exchange of the block 1 shares of stock, none of which is recognized under section 354. J realizes a gain of \$10 on the exchange of the block 2”.

§ 1.358–1 [Corrected]

28. On page 3519, column 2, § 1.358–1(d) *Example.*, line 11, the language “the distribution of a dividend. A’s ratable” is corrected to read “a distribution of a dividend. A’s ratable”.

§ 1.358–2 [Corrected]

29. On page 3519, column 3, § 1.358–2(a)(1), line 4, the language “distribution to which section 354, 355” is corrected to read “distribution to which section 354, 355,”.

30. On page 3519, column 3, § 1.358–2(b), line 6, the language “section 354, 355 or 356, the following” is corrected to read “section 354, 355, or 356, the following”.

31. On page 3521, column 3, § 1.358–2(g)(2), line 4, the language “section 351 applies stock or stock and” is corrected to read “section 351 applies, stock or stock and”.

32. On page 3522, column 1, § 1.358–2(i) *Example 1(i)*, line 6, the language “of Corporation X in a reorganization under” is corrected to read “of Corporation X in a reorganization described in”.

33. On page 3522, column 1, § 1.358–2(i) *Example 1(ii)*, line 2 from the bottom of the paragraph, the language “of corporation Y stock have a basis of \$1.50” is corrected to read “of Corporation Y stock have a basis of \$1.50”.

34. On page 3522, column 1, § 1.358–2(i) *Example 2(i)*, line 5 from the bottom of the column, the language “shares of corporation Y stock. Again, J is not” is corrected to read “shares of Corporation Y stock. Again, J is not”.

35. On page 3522, column 2, § 1.358–2(i) *Example 3(i)*, line 10, the language “a reorganization under section 368(a)(1)(E).” is corrected to read “a

reorganization described in section 368(a)(1)(E).”.

36. On page 3522, column 3, § 1.358-2(i) *Example 5*(ii), line 10, the language “is not dividend equivalent, such terms” is corrected to read “does not have the effect of a dividend, such terms”.

37. On page 3523, column 1, § 1.358-2(i) *Example 6*(i), line 8, the language “reorganization under section 368(a)(1)(A).” is corrected to read “reorganization described in section 368(a)(1)(A).”.

38. On page 3523, column 1, § 1.358-2(i) *Example 7*(i), line 6, the language “of Corporation X in a reorganization under” is corrected to read “of Corporation X in a reorganization described in”.

39. On page 3523, column 2, § 1.358-2(i) *Example 8*(ii), line 5, the language “liability of J, the rules of paragraph (g) this” is corrected to read “liability of J, the rules of paragraph (g) of this”.

40. On page 3523, column 2, § 1.358-2(i) *Example 9*(i), lines 9 through 11, the language “Corporation X in a reorganization under section 368(a)(1)(D). Pursuant to the terms of the plan of reorganization, J surrenders J’s” is corrected to read “Corporation X in a reorganization described in section 368(a)(1)(D). Pursuant to the terms of the plan of reorganization, J surrenders”.

41. On page 3523, column 2, § 1.358-2(i) *Example 9*(ii), line 5 from the bottom of the column, the language “recapitalized in a reorganization under” is corrected to read “recapitalized in a reorganization described in”.

42. On page 3523, column 3, § 1.358-2(i) *Example 10*(i), lines 12 thru 14, the language “Corporation X in a reorganization under section 368(a)(1)(D). Pursuant to the terms of the plan of reorganization, J surrenders J’s” is corrected to read “Corporation X in a reorganization described in section 368(a)(1)(D). Pursuant to the terms of the plan of reorganization, J surrenders”.

43. On page 3523, column 3, § 1.358-2(i) *Example 10*(ii), line 10 from the bottom of the column, the language “be recapitalized in a reorganization under” is corrected to read “be recapitalized in a reorganization described in”.

44. On page 3524, column 2, § 1.358-2(i) *Example 13*(i), line 9, the language “reorganization under section 368(a)(1)(A).” is corrected to read “reorganization described in section 368(a)(1)(A).”.

45. On page 3524, column 3, § 1.358-2(i) *Example 14*(i), line 9, the language “reorganization under section

368(a)(1)(A).” is corrected to read “reorganization described in section 368(a)(1)(A).”.

46. On page 3525, column 1, § 1.358-2(i) *Example 15*(ii), line 3 from the bottom of the paragraph, the language “each has a basis of \$6 and is treated as having” is corrected to read “each has a basis of \$5 and is treated as having”.

47. On page 3525, column 1, § 1.358-2(i) *Example 16*(i), line 4, the language “Shares of Corporation Y in an exchange to” is corrected to read “Shares of Corporation Y stock in an exchange to”.

48. On page 3525, column 1, § 1.358-2(i) *Example 17*(i), line 2, the language “*Facts*. The facts are the same as Example 1.” is corrected to read “*Facts*. The facts are the same as Example 16.”.

§ 1.358-6 [Corrected]

49. On page 3525, column 2, § 1.358-6(f)(3), line 4 from the bottom of the paragraph, the language “1 revised April 1, 2008 for the year” is corrected to read “1 revised April 1 for the year”.

§ 1.861-12 [Corrected]

50. On page 3525, column 3, § 1.861-12(c)(2)(vi), lines 1 through 3, the language “Adjustments in respect of redeemed stock for taxpayers using the tax book value method. Solely for” is corrected to read “*Adjustments in respect of redeemed stock for taxpayers using the tax book value method*. Solely for”.

51. On page 3525, column 3, § 1.861-12(c)(2)(vi), lines 13 through 15, the language “taken into account under § 1.302-5(a)(3) as of the close of the redeemed shareholder’s taxable year (unrecovered” is corrected to read “taken into account under § 1.302-5 as of the close of the redeemed shareholder’s taxable year (deferred”.

52. On page 3525, column 3, § 1.861-12(c)(2)(vi), line 4 from the bottom of the column, the language “unrecovered loss (and allocated among” is corrected to read “deferred loss (and allocated among”.

§ 1.1001-6 [Corrected]

53. On page 3526, column 2, § 1.1001-6(c), line 10 from the top of the column, the language “still unliquidated. Solely for purposes of” is corrected to read “still unliquidated investment. Solely for purposes of”.

LaNita Van Dyke,

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

[FR Doc. E9-4657 Filed 3-4-09; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-144615-02]

RIN 1545-BI47

Section 482: Methods To Determine Taxable Income in Connection With a Cost Sharing Arrangement; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains corrections to a notice of proposed rulemaking by cross-reference to temporary regulations (REG-144615-02) that was published in the **Federal Register** on Monday, January 5, 2009 providing further guidance and clarification regarding methods under section 482 to determine taxable income in connection with a cost sharing arrangement in order to address issues that have arisen in administering the current regulations. These temporary regulations potentially affect controlled taxpayers within the meaning of section 482 that enter into cost sharing arrangements as defined therein.

FOR FURTHER INFORMATION CONTACT: Kenneth P. Christman, (202) 435-5265 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The correction notice that is the subject of this document is under section 482 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking by cross-reference to temporary regulations (REG-144615-02) published January 5, 2009 (74 FR 236), 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 rulemaking by cross-reference to temporary regulations (REG-144615-02), which was the subject of FR Doc. E8-30712, is corrected as follows:

1. On page 236, in the document headings, under the caption **ACTION:**, the language “Notice of proposed rulemaking by cross-reference to temporary regulations, notice of proposed rulemaking, and notice of