

practicable shall be placed on the largest of the authorized surfaces. However, powered parachutes and weight-shift-control aircraft must display marks at least 3 inches high.

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Issued in Washington, DC, on July 30, 2007.

Marion C. Blakey,
Administrator.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9339]

RIN 1545-BG44

Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final and temporary regulations.

SUMMARY: This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program requirements for qualified zone academy bonds.

DATES: The correction is effective September 14, 2007.

FOR FURTHER INFORMATION CONTACT: Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

Need for Correction

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final and temporary regulations (TD 9339), which was the subject of FR Doc. E7-13665, is corrected as follows:

1. On page 38767, column 3, in the preamble, under the caption **DATES:**, line 4, the language “applicability, see § 1.1397E-1(m) of” is corrected to read “applicability, see § 1.1397E-1T(m) of”.

2. On page 38768, column 3, in the preamble, under the paragraph heading “C. Proceeds for Purposes of the Use and Spending Requirements”, line 3 of the paragraph, the language “provisions of QZAB provisions” is corrected to read “QZAB provisions”.

3. On page 38769, column 3, in the preamble, under the paragraph heading “II. Maximum Term”, lines 1 and 2 from bottom of the fourth paragraph of the column, the language “securities (<http://www.publicdebt.treas.gov>).” is corrected to read “securities (<https://www.treasurydirect.gov>).”.

4. On page 38772, column 1, in the preamble, under the subparagraph heading “3. Failure to Properly Use Proceeds”, third paragraph, the language “The Temporary Regulations retain these provisions.” is inserted at the end of the paragraph.

5. On page 38774, column 1, in the preamble, under the paragraph heading “Effective/Applicability Dates”, last line of the fourth paragraph, the language “§ 1.1379E(m),” is corrected to read “§ 1.1379E-1T(m).”.

LaNita Van Dyke,

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

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9339]

RIN 1545-BG44

Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program

requirements for qualified zone academy bonds.

DATES: The correction is effective September 14, 2007.

FOR FURTHER INFORMATION CONTACT: Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

Need for Correction

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

■ Accordingly, 26 CFR part 1 is corrected by making the following amendments:

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 1.1397E-1T is amended by revising paragraphs (h)(2)(iii)(B), (h)(7)(ii)(D)(2)(ii), and (h)(9)(i)(6) to read as follows:

§ 1.1397E-1T Qualified zone academy bonds (temporary).

* * * * *

(h) * * *

(2) * * *

(iii) * * *

(B) The expenditure of at least 95 percent of the proceeds from the sale of the issue for a qualified purpose with respect to a qualified zone academy will continue to proceed with due diligence.

* * * * *

(7) * * *

(ii) * * *

(D) * * *

(2) * * *

(ii) The first date on which an action is taken that causes the issuer to fail actually to use at least 95 percent of the proceeds of the issue for a qualified purpose with respect to a qualified zone academy.

* * * * *

(9) * * *

(i) * * *

(6) *Certain defeasance escrow earnings.* With respect to a defeasance