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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9572]

RIN 1545-BK53

Dividend Equivalents From Sources Within the United States

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations; correcting amendment.

SUMMARY: This document amends temporary regulations relating to dividend equivalents for purposes of section 871(m) of the Internal Revenue Code (Code). The regulations affect nonresident aliens and foreign corporations that hold notional principal contracts (NPCs) providing for payments determined by reference to payments of dividends from sources within the United States.

DATES: *Effective Date:* These regulations are effective August 31, 2012.

Applicability Date: For dates of applicability, see § 1.871-16T(g).

FOR FURTHER INFORMATION CONTACT: Mark E. Erwin or D. Peter Merkel at (202) 622-3870 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On January 23, 2012, the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) published in the **Federal Register** a temporary regulation and a notice of proposed rulemaking relating to dividend equivalents from sources within the United States. See TD 9572, 77 FR 3108 (Temporary Regulations); REG-120282-10, 77 FR 3202 (Proposed Regulations). Section 871(m)(2) defines the term “dividend equivalent” to include, in part, any payment made

pursuant to a specified notional principal contract (specified NPC) that is contingent upon or determined by reference to a U.S. source dividend. Section 871(m)(3)(A) provides a definition for the term specified NPC that is applicable to payments made through March 18, 2012. Section 1.871-16T(b) of the Temporary Regulations provides that the definition of specified NPC contained in paragraphs (i) through (iv) of section 871(m)(3)(A) will apply to payments made after March 18, 2012, and before January 1, 2013. The Proposed Regulations provide a different definition of specified NPC that would apply to payments made on or after January 1, 2013.

Explanation of Provisions

Treasury and the IRS received numerous comments on the Proposed Regulations, stating that the proposed effective date of January 1, 2013, would not allow taxpayers sufficient time to build and test the systems required to implement the withholding rules for specified NPCs and equity-linked instruments. In response to these comments, this document amends § 1.871-16T(b) of the Temporary Regulations so that the definition of a specified NPC contained in paragraphs (i) through (iv) of section 871(m)(3)(A) will apply to payments made after March 18, 2012, and before January 1, 2014. When final regulations are issued adopting the Proposed Regulations, Treasury and the IRS intend that the rules contained in the final regulations will apply to payments made on or after January 1, 2014.

Treasury and the IRS continue to consider the other public comments made on the Temporary Regulations and the Proposed Regulations.

Drafting Information

The principal author of these regulations is D. Peter Merkel, the Office of Associate Chief Counsel (International). Other personnel from Treasury and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Amendments to the Regulations

Accordingly, 26 CFR part 1 is 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 * * *
Section 1.871-16T also issued under 26 U.S.C. 871(m).

§ 1.871-16T(b) [Amended]

■ **Par. 2.** Section 1.871-16T(b) is amended by removing the language “2013” and adding the language “2014” in its place wherever it appears.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

Approved: August 16, 2012.

Mark J. Mazur,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2012-21497 Filed 8-30-12; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG-2012-0821]

Drawbridge Operation Regulation; Columbia River, Vancouver, WA

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Coast Guard has issued a temporary deviation from the operating schedule that governs the Interstate 5 (I-5) Bridges across the Columbia River, mile 106.5, between Portland, OR and Vancouver, WA. This deviation is necessary to facilitate heavy maintenance on the bridges lift-spans. This deviation allows height-restricted lifts which will reduce the vertical clearance available to vessels transiting beneath the bridges.

DATES: This deviation is effective from 7 a.m. on September 15, 2012 through 6 p.m. October 14, 2012.

ADDRESSES: Documents mentioned in this preamble as being available in the docket are part of docket USCG-2012-0821 and are available online by going to <http://www.regulations.gov>, inserting USCG-2012-0821 in the “Keyword”

box and then clicking "Search". They are also available for inspection or copying at the Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email the Bridge Administrator, Coast Guard Thirteenth District; telephone 206-220-7282 email

randall.d.overton@uscg.mil. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION: The Oregon Department of Transportation has requested that the Interstate 5 Bridges which cross the Columbia River at mile 106.5 only be required to lift to a reduced height of 130 feet above Columbia River Datum for a 30 day period. The height restricted lifts are necessary to facilitate heavy maintenance on the bridges lift-spans. The I-5 Bridges cross the Columbia River at mile 106.5 and provide three designated navigation channels with vertical clearances ranging from 39 to 72 feet above Columbia River Datum while the lift spans are in the closed position. Vessels which do not require a full bridge opening may continue to transit beneath the bridges during this maintenance period. Under normal operation the bridges are governed by 33 CFR 117.869, which requires that the draws open fully and promptly on signal except that the draws need not open from 6:30 a.m. to 9 a.m. and from 2:30 p.m. to 6 p.m. Monday through Friday excluding federal holidays. The lift-spans when fully opened provide 178 feet of vertical clearance above Columbia River Datum. This deviation period is from 7 a.m. on September 15, 2012 through 6 p.m. October 14, 2012. The deviation allows the lift spans of the I-5 Bridges across the Columbia River, mile 106.5, to be raised to a reduced height of 130 feet above Columbia River Datum from 7 a.m. on September 15, 2012 through 6 p.m. October 14, 2012. Scaffolding will be attached to the bridge during this maintenance evolution which will restrict the height the lift-spans can be raised. Lift heights greater than 130 feet above Columbia River Datum will not be capable during this maintenance period from September 15, 2012 until October 14, 2012. The bridge shall operate in accordance with 33 CFR 117.869 at all other times. Waterway usage on this

stretch of the Columbia River includes vessels ranging from commercial tug and tow vessels to recreational pleasure craft. Mariners will be notified and kept informed of the bridge's operational status via the Coast Guard Notice to Mariners publication.

In accordance with 33 CFR 117.35(e), the drawbridges must return to their regular operating schedule immediately at the end of the designated time period. This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: August 21, 2012.

Randall D. Overton,
Bridge Administrator.

[FR Doc. 2012-21535 Filed 8-30-12; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2012-0814]

RIN 1625-AA00

Safety Zone; Cleveland National Air Show, Cleveland, OH

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone on Lake Erie and Cleveland Harbor at Burke Lakefront Airport, Cleveland, OH. This safety zone is intended to restrict vessels from a portion of Lake Erie and Cleveland Harbor (near Burke Lakefront Airport). This temporary safety zone is necessary to protect participants, spectators, and vessels from the hazards associated with aerial insertions and aircraft maneuvers.

DATES: This rule is effective from 11:30 a.m. on August 30, 2012, until 6:00 p.m. on September 3, 2012.

ADDRESSES: Documents mentioned in this preamble are part of docket [USCG-2012-0814]. To view documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type the docket number in the "SEARCH" box and click "SEARCH." You may visit the Docket Management Facility, Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. **FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or

email LT Christopher Mercurio, Chief of Waterway Management, U.S. Coast Guard Sector Buffalo; telephone 716-843-9343, email

SectorBuffaloMarineSafety@uscg.mil. If you have questions on viewing or submitting material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone (202) 366-9826.

SUPPLEMENTARY INFORMATION:

Table of Acronyms

DHS Department of Homeland Security
FR Federal Register
NPRM Notice of Proposed Rulemaking

A. Regulatory History and Information

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because doing so would be impracticable and contrary to the public interest. The final details for this event were not known to the Coast Guard until there was insufficient time remaining before the event to publish an NPRM. Thus, delaying the effective date of this rule to wait for a comment period to run would be both impracticable and contrary to the public interest because it would inhibit the Coast Guard's ability to protect spectators and vessels from the hazards associated with aerial insertions and aircraft maneuvering, which are discussed further below.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. For the same reasons discussed in the preceding paragraph, waiting for a 30 day notice period to run would be impracticable and contrary to the public interest.

B. Basis and Purpose

The Cleveland National Air Show has been taking place annually since 1964. During the 2012 show, as with shows in the past, there will be various high speed aerial and military tactical demonstrations on and over Burke Lakefront to include various maneuvers by U.S. Navy Blue Angels and civilian aircraft and by personnel on the Burke