

an aircraft that has a V_H less than or equal to 87 knots CAS; and

(2) Receive a logbook endorsement from the authorized instructor who provided the training specified in paragraph (b)(1) of this section certifying that you are proficient in the operation of light-sport aircraft with a V_H less than or equal to 87 knots CAS.

(c) If you hold a sport pilot certificate and you seek to operate a light-sport aircraft that is an airplane and has a V_H greater than 87 knots CAS after [ONE YEAR AFTER THE EFFECTIVE DATE OF THE FINAL RULE], you must receive and log 1 hour of flight training in a single-engine airplane that has a V_H greater than 87 knots CAS on the control and maneuvering of an airplane solely by reference to instruments, including straight and level flight, climbs and descents, turns to a heading, and recovery from unusual flight attitudes.

(d) The training and endorsements required by paragraph (b) of this section are not required if you have logged flight time as pilot in command of an aircraft with a V_H less than or equal to 87 knots CAS prior to [EFFECTIVE DATE OF THE FINAL RULE].

§ 61.329 [Removed]

39. Remove § 61.329.

§§ 61.401 through 61.431 (Subpart K) [Removed]

40. Remove subpart K consisting of §§ 61.401 through 61.431.

PART 91—GENERAL OPERATING AND FLIGHT RULES

41. The authority citation for part 91 continues to read as follows:

Authority: 49 U.S.C. 106(g), 1155, 40103, 40113, 40120, 44101, 44111, 44701, 44704, 44709, 44711, 44712, 44715, 44716, 44717, 44722, 46306, 46315, 46316, 46504, 46506–46507, 47122, 47508, 47528–47531, articles 12 and 29 of the Convention on International Civil Aviation (61 Stat. 1180).

42. Amend § 91.119 by revising paragraph (d) to read as follows:

§ 91.119 Minimum safe altitudes: General.

* * * * *

(d) *Helicopters, powered parachutes, and weight-shift-control aircraft.* If the operation is conducted without hazard to persons or property on the surface—

(1) A helicopter may be operated at less than the minimums prescribed in paragraph (b) or (c) of this section, provided each person operating the helicopter complies with any routes or altitudes specifically prescribed for helicopters by the FAA; and

(2) A powered parachute or weight-shift-control aircraft may be operated at

less than the minimums prescribed in paragraph (c) of this section.

43. Amend § 91.417 by revising paragraph (a)(2)(v) to read as follows:

§ 91.417 Maintenance records.

(a) * * *

(2) * * *

(v) The current status of applicable airworthiness directives (AD) and safety directives including, for each, the method of compliance, the AD or safety directive number and revision date. If the AD or safety directive involves recurring action, the time and date when the next action is required.

* * * * *

PART 141—PILOT SCHOOLS

44. The authority citation for part 141 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701–44703, 44707, 44709, 44711, 45102–45103, 45301–45302.

45. Amend § 141.39 by revising paragraph (b) to read as follows:

§ 141.39 Aircraft.

* * * * *

(b) Each aircraft must be certificated with a standard airworthiness certificate, a primary airworthiness certificate, or a special airworthiness certificate in the light-sport category unless the Administrator determines that due to the nature of the approved course, an aircraft not having a standard airworthiness certificate, a primary airworthiness certificate, or a special airworthiness certificate in the light-sport category may be used;

* * * * *

Issued in Washington, DC on April 9, 2008.

James J. Ballough,

Director, Flight Standards Service.

[FR Doc. 08–1127 Filed 4–11–08; 8:45am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–124590–07]

RIN 1545–BG11

Guidance Regarding Foreign Base Company Sales Income; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to a notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed

rulemaking (REG–124590–07) that was published in the **Federal Register** on Thursday, February 28, 2008 (73 FR 10716) providing guidance relating to foreign base company sales income, as defined in section 954(d), in cases in which personal property sold by a controlled foreign corporation (CFC) is manufactured, produced, or constructed pursuant to a contract manufacturing arrangement or by one or more branches of the CFC.

FOR FURTHER INFORMATION CONTACT: Ethan Atticks at (202) 622–3840 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The correction notice that is the subject of this document is under section 954 of the Internal Revenue Code.

Need for Correction

As published, a notice of proposed rulemaking (REG–124590–07) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of a notice of proposed rulemaking (REG–124590–07), which was the subject of FR Doc. E8–3557, is corrected as follows:

1. On page 10717, column 1, in the preamble, under the paragraph heading “B. The Branch Rule”, line 7 from the bottom of the paragraph, the language “CFC and constitutes FBCSI of the CFC.” is corrected to read “CFC and constitutes FBCSI of the CFC. See section 954(d)(2).”.

2. On page 10718, column 1, in the preamble, under the paragraph heading “C. Legal Developments”, line 4 from the bottom of the first paragraph, the language “considered the activities of a separate” is corrected to read “treated as the activities of a separate”.

3. On page 10718, column 2, in the preamble, under the paragraph heading “Explanation of Provisions”, line 11 from the bottom of the column, the language “and/or a branch of the CFC, is involved” is corrected to read “and/or a branch of the CFC, is otherwise involved”.

4. On page 10718, column 3, in the preamble, under the paragraph heading “A. Application of the Manufacturing Exception Where the Physical Manufacturing Test Is Not Satisfied by the CFC but the CFC Is Involved in the Manufacturing Process—Substantial Contribution to Manufacturing”, lines 2 and 3 of the first paragraph, the language “income from the purchase of personal property from any person and

“its” sale” is corrected to read “income derived in connection with the purchase of personal property from a related person and “its” sale to any person, and income derived in connection with the purchase of personal property from any person and “its” sale”.

5. On page 10718, column 3, in the preamble, under the paragraph heading “A. Application of the Manufacturing Exception Where the Physical Manufacturing Test Is Not Satisfied by the CFC but the CFC Is Involved in the Manufacturing Process—Substantial Contribution to Manufacturing”, line 4 from the bottom of the second paragraph, the language “purchase or sales and manufacturing” is corrected to read “purchasing or selling and manufacturing”.

6. On page 10719, column 2, in the preamble, under the paragraph heading “A. Application of the Manufacturing Exception Where the Physical Manufacturing Test Is Not Satisfied by the CFC but the CFC Is Involved in the Manufacturing Process—Substantial Contribution to Manufacturing”, first paragraph of the column, lines 6 and 7, the language “for the manufacturing exception from FBCSI only if the CFC, acting through” is corrected to read “for the manufacturing exception only if the CFC, acting through”.

7. On page 10719, column 2, in the preamble, under the paragraph heading “A. Application of the Manufacturing Exception Where the Physical Manufacturing Test Is Not Satisfied by the CFC but the CFC Is Involved in the Manufacturing Process—Substantial Contribution to Manufacturing”, line 9 from the bottom of the second paragraph of the column, the language “proposed § 1.954–3(a)(4)(iv)(b), a CFC” is corrected to read “proposed § 1.954–3(a)(4)(iv)(a), a CFC”.

8. On page 10719, column 3, in the preamble, under the paragraph heading “A. Application of the Manufacturing Exception Where the Physical Manufacturing Test Is Not Satisfied by the CFC but the CFC Is Involved in the Manufacturing Process—Substantial Contribution to Manufacturing”, first paragraph of the column, lines 4 through 8, the language “principles of § 1.954–3(a)(4)(ii) and (iii); (2) performance of manufacturing activities that are considered in, but insufficient to satisfy the tests provided in § 1.954–3(a)(4)(ii) or (iii); (3) control” is corrected to read “principles of § 1.954–3(a)(4)(ii) or (iii); (2) performance of activities that are considered in applying, but insufficient to satisfy, the tests provided in § 1.954–3(a)(4)(ii) and (iii); (3) control”.

9. On page 10721, column 2, in the preamble, under the paragraph heading “2. Modification of § 1.954–3(b)(2)(ii)(e)”, second paragraph of the column, lines 1 through 4, the language “In addition, consistent with the clarification regarding the scope of the branch rule contained in proposed § 1.954–3(b)(1), § 1.954–3(b)(2)(ii)(e) is” is corrected to read “In addition, consistent with § 1.954–3(b)(2)(ii)(f), § 1.954–3(b)(2)(ii)(e) is”.

10. On page 10722, column 1, in the preamble, under the paragraph heading “3. Modification of § 1.954–3(b)(2)(i)(b), (b)(2)(ii)(b) and (b)(4), Example 3”, first paragraph of the column, last line, the language “the branch’s country is FBCSI.” is corrected to read “the branch’s country result in FBCSI.”.

§ 1.954–3 [Corrected]

11. On page 10723, column 3, § 1.954–3(a)(4)(i), lines 16 and 17, the language “provisions of paragraphs (a)(ii), (a)(iii), or (a)(iv) of this section through the” is corrected to read “provisions of paragraphs (a)(4)(ii), (a)(4)(iii), or (a)(4)(iv) of this section through the”.

12. On page 10724, column 1, § 1.954–3(a)(4)(iv)(a), line 16, the language “respect to the property prior to sale were” is corrected to read “respect to that property prior to sale were”.

13. On page 10724, column 2, § 1.954–3(a)(4)(iv)(c), first line, the language “The rules of this paragraph (a)(iv)” is corrected to read “The rules of this paragraph (a)(4)(iv)”.

14. On page 10724, column 2, § 1.954–3(a)(4)(iv)(c) Example 1. (i), line 6 of the paragraph, the language “paragraph (a)(4)(iii) of this section into” is corrected to read “paragraph (a)(4)(iii) of this section) into”.

15. On page 10724, column 3, § 1.954–3(a)(4)(iv)(c) Example 3. (ii), lines 2 through 4, the language “undertaken with respect to Product X between the time the raw materials were purchased and the time Product X was sold” is corrected to read “undertaken with respect to Product X prior to sale”.

16. On page 10725, column 2, § 1.954–3(b)(1)(ii)(c)(2), line 12 from the bottom of the paragraph, the language “corporation and as if any such other” is corrected to read “corporation and as if any other”.

17. On page 10725, column 3, § 1.954–3(b)(1)(ii)(c)(2) Example. (i), line 9, the language “property (Product X and Y respectively)” is corrected to read “property (Product X and Product Y respectively)”.

18. On page 10725, column 3, § 1.954–3(b)(1)(ii)(c)(3), line 6, the

language “construct, grow, or extract the same” is corrected to read “construct, grow, or extract the same item of personal”.

19. On page 10726, column 2, § 1.954–3(b)(1)(ii)(c)(3)(c), last sentence of the paragraph, the language “The location of any particular activity (that is, for purposes of deciding whether that activity is conducted in a particular branch or in the remainder of the controlled foreign corporation) will be determined by applying the principles of paragraph (b)(1)(ii)(c)(3)(d) of this section.” is removed.

20. On page 10727, column 1, § 1.954–3(b)(1)(ii)(c)(3)(f) Example 1.(i), first line of the column, the language “Branch A and B do not satisfy either” is corrected to read “Branch A and Branch B do not satisfy either”.

21. On page 10727, column 2, § 1.954–3(b)(1)(ii)(c)(3)(f) Example 3.(i), line 11 from the bottom of the paragraph, the language “country M but who regularly travel to” is corrected to read “Country M but who regularly travel to”.

22. On page 10728, column 1, § 1.954–3(b)(1)(ii)(c)(3)(f) Example 4.(ii), lines 1 through 8 from the bottom of the paragraph, the language “The remainder of FS does not qualify for the manufacturing exception from foreign base company sales income contained in paragraph (a)(4)(iv) of this section. Because Product X is sold for use, consumption, or disposition outside of Country M, the income from the sale of Product X is foreign base company sales income.” is corrected to read “The remainder of FS must therefore independently qualify for the manufacturing exception contained in paragraph (a)(4) of this section or income from the sale of Product X will be foreign base company sales income.”

23. On page 10728, column 2, § 1.954–3(b)(1)(ii)(c)(3)(f) Example 5.(ii), lines 8 through 25, the language “Accordingly, paragraph (b)(1)(ii)(b) of this section is applied by comparing the effective rate of tax imposed on the income from the sales of Product X against the effective rate of tax that would apply to the sales income in Branch A, which is located in the jurisdiction that would impose the highest effective rate of tax on the sales income (30%). Because the effective rate of tax in Country B with respect to the sales income (0%) is less than 90% of, and at least 5 percentage points less than, the effective rate of tax that would apply to such income in Country A (30%), the seller, Branch B, is treated as selling on behalf of Branch A, which is treated as the remainder of FS pursuant to paragraph (b)(1)(ii)(c) of this section.”

Further, for purposes of determining” is corrected to read “Accordingly, pursuant to paragraph (b)(2)(ii)(c)(3)(e), Branch A is treated as the location of manufacturing for purposes of applying paragraph (b)(1)(ii)(b) of this section. Therefore, the effective rate of tax imposed on the income from the sales of Product X is compared against the effective rate of tax that would apply to that income if it were earned in Country A, which would impose the highest effective rate of tax on the sales income (30%). Because the effective rate of tax in Country B with respect to the sales income (0%) is less than 90% of, and at least 5 percentage points less than, the effective rate of tax that would apply to such income in Country A (30%), Branch B, treated as the remainder of FS pursuant to paragraph (b)(1)(ii)(c) of this section, is treated as selling on behalf of Branch A. Further, for purposes of determining”.

24. On page 10728, column 2, § 1.954–3(b)(1)(ii)(c)(3)(f) *Example 5*.(ii), lines 1 through 12 from the bottom of the paragraph, the language “company sales income. Since the location of manufacturing of Product X is considered to be the location of Branch A rather than Branch B, Branch B, treated as the remainder of FS, does not qualify for the manufacturing exception from foreign base company sales income contained in paragraph (a)(4) of this section. Since the sale of Product X is for use, consumption, or disposition outside of Country B, the income from the sale of Product X is foreign base company sales income.” is corrected to read “company sales income. Branch B, treated as the remainder of FS, must therefore independently qualify for the manufacturing exception from foreign base company sales income contained in paragraph (a)(4) of this section or the income from the sale of Product X will be foreign base company sales income.”.

25. On page 10729, column 1, § 1.954–3(b)(2)(ii)(a), lines 1 through 7 from the bottom of the paragraph, the language “tested against the effective rate of tax that would apply to such income if it were earned in the jurisdiction of such other branch or similar establishment or the remainder of the controlled foreign corporation under § 1.954–3(b)(1)(i)(b) or (ii)(b) of this section.” is corrected to read “tested under the principles of § 1.954–3(b)(1)(i)(b) or (ii)(b) of this section against the effective rate of tax that would apply to such income if it were earned in the jurisdiction of such other branch or similar establishment or the remainder of the controlled foreign corporation.”.

26. On page 10729, column 2, § 1.954–3(b)(2)(ii)(c)(2) *Example 1*.(ii), line 6, the language “Branch A (30%), the seller, the remainder of” is corrected to read “Branch A (30%), the remainder of”.

27. On page 10729, column 3, § 1.954–3(b)(2)(ii)(c)(2) *Example 3*.(i), line 7 from the bottom of the column, the language “persons. 100 percent of the articles sold” is corrected to read “persons. One hundred percent of the articles sold”.

28. On page 10730, column 1, § 1.954–3(b)(2)(ii)(c)(2) *Example 3*.(i), first paragraph of the column, line 10, the language “Country, but the income of Branch B for 1964” is corrected to read “country, but the income of Branch B for 1964”.

29. On page 10730, column 1, § 1.954–3(b)(2)(ii)(d), line 10, the language “the last sentence of paragraph (a)(6), the” is corrected to read “paragraph (a)(6)(i), the”.

LaNita Van Dyke,

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

[FR Doc. E8–8031 Filed 4–14–08; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 54

[REG–108508–08]

RIN 1545–BH71

Determination of Minimum Required Pension Contributions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations providing guidance on the determination of minimum required contributions for purposes of the funding rules that apply to single employer defined benefit plans. These regulations would affect sponsors, administrators, participants, and beneficiaries of single employer defined benefit plans. This document also provides a notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by July 14, 2008. Outlines of topics to be discussed at the public hearing scheduled for August 4, 2008, at 10 a.m. must be received by July 15, 2008.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG–108508–08), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–108508–08), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS–REG–108508–08). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Lauson C. Green or Linda S. F. Marshall at (202) 622–6090; concerning submissions of comments, the hearing, and/or being placed on the building access list to attend the hearing, Richard A. Hurst, at Richard.A.Hurst@irs.counsel.treas.gov or (202) 622–7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed Income Tax Regulations (26 CFR part 1) under sections 430(a), 430(c), 430(e), and 430(j), as added to the Internal Revenue Code (Code) by the Pension Protection Act of 2006 (PPA ’06), Public Law 109–280 (120 Stat. 780). In addition, this document contains proposed Excise Tax Regulations (26 CFR part 54) under section 4971.

Section 412 provides minimum funding requirements that generally apply for pension plans (including both defined benefit pension plans and money purchase pension plans). PPA ’06 makes extensive changes to those minimum funding requirements that generally apply for plan years beginning on or after January 1, 2008. Section 430, which was added by PPA ’06, specifies the minimum funding requirements that apply to single employer defined benefit pension plans (including multiple employer plans) pursuant to section 412.¹

¹ Section 302 of the Employee Retirement Income Security Act of 1974, as amended (ERISA), sets forth funding rules that are parallel to those in Code section 412, and section 303 of ERISA sets forth additional funding rules for single employer plans that are parallel to those in section 430 of the Code. Under section 101 of Reorganization Plan No. 4 of 1978 (43 FR 47713) and section 302 of ERISA, the Secretary of the Treasury has interpretive jurisdiction over the subject matter addressed in these proposed regulations for purposes of ERISA, as well as the Code. Thus, these proposed Treasury regulations issued under section 430 of the Code would apply as well for purposes of section 303 of ERISA.