

§ 542.42 What are the minimum internal control standards for internal audit for Tier C gaming operations?

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(g) *Internal Audit Guidelines.* In connection with the internal audit testing pursuant to paragraph (b)(1) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.

■ 18. Amend § 542.43 by revising paragraph (r)(3) introductory text to read as follows:

§ 542.43 What are the minimum internal control standards for surveillance for Tier C gaming operations?

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(r) * * *

(3) *Wide-area progressive machine.* Wide-area progressive gaming machines offering a base payout amount of \$1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:

* * * * *

Signed in Washington, DC, this 8th day of August, 2005.
Philip N. Hogen,
Chairman.

Nelson Westrin,
Vice-Chairman.

Cloyce Choney,
Commissioner.

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DEPARTMENT OF THE TREASURY
Internal Revenue Service

26 CFR Part 1

[TD 9205]

RIN 1545-BE17

Credit for Increasing Research Activities; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document corrects temporary regulations (TD 9205) that were published in the **Federal Register** on Tuesday, May 24, 2005 (70 FR 29596). The document contains temporary regulations relating to the computation and allocation of the credit for increasing research activities for members of a controlled group of corporations or a group of trades or businesses under common control.

DATES: This correction is effective on May 24, 2005.

FOR FURTHER INFORMATION CONTACT: Nicole R. Cimino, (202) 622-3120 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations (TD 9205) that is the subject of this correction are under section 41(f).

Need for Correction

As published, the temporary regulations (TD 9205) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income Tax, Reporting and recordkeeping requirements.

Correction of Publication

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

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 * * *

§ 1.41-6T [Corrected]

■ 1. Section 1.41-6T(e) *Example 2* (i), the first line in the table is revised to read as follows:

	D	E	F	G	Group Aggregate
Credit Year QREs	\$580x	\$10x	\$70x	\$15x	\$675x
* * * * *	*		*		*

■ 2. Section 1.41-6T(e) *Example 2* (i), second line in the table is revised to read as follows:

	D	E	F	G	Group Aggregate
* * * * *	\$500x	\$25x	\$100x	\$25x	\$650x

■ 3. Section 1.41-6T(e) *Example 2* (ii)(B)(1), the first sentence is revised to read as follows: “The group’s base amount equals the greater of: the group’s fixed-base percentage (3.10 percent) multiplied by the group’s aggregate average annual gross receipts for the 4 taxable years preceding the credit year

(\$17,000x), or the group’s minimum base amount (\$337.50x).”

■ 4. Section 1.41-6T(e) *Example 2* (iii), the eighth sentence is revised to read as follows: “Because the group credit of \$29.76x is greater than the sum of the stand-alone entity credits of all the members of the group (\$21.67x), each

member of the group is allocated an amount of the group credit equal to that member’s stand-alone equity credit.”

■ 5. Section 1.41-6T(e) *Example 2* (iii), the ninth sentence is revised to read as follows: “The excess of the group credit over the sum of the members’ stand alone entity credits (\$8.09x) is allocated among

the members of the group based on the ratio that each member's QREs bear to

the sum of the QREs of all the members of the group."

■ 6. Section 1.41-6T(e) *Example 2* (iii), the fourth line in the table is revised to read as follows:

	D	E	F	G	Total
* * * *	*		*		*
Excess Group Credit	\$8.09x	\$8.09x	\$8.09x	\$8.09x	
* * * *	*		*		*

■ 7. Section 1.41-6T(e) *Example 3* (ii)(C), the second sentence is revised to read as follows: "The excess of the group credit over the sum of the members' stand-alone entity credits (\$10.00x) is

allocated among the members of the group based on the ratio that each member's QREs bear to the sum of the QREs of all the members of the group."

■ 8. Section 1.41-6T(e) *Example 3* (ii)(C), the fourth line in the table is revised to read as follows:

	DE	F	G	Total
* * * *		*		*
Excess Group Credit	\$10.00x	\$10.00x	\$10.00x	
* * * *		*		*

■ 9. Section 1.41-6T(e) *Example 3* (iii)(C), the fourth line in the table is revised to read as follows:

	D	E	Total
* * * *	*		*
Excess Group Credit	\$6.83x	\$6.83x	
* * * *	*		*

■ 10. Section 1.41-6T(e) *Example 5* (iii), the first sentence is revised to read as follows: "Under paragraph (c)(2) of this section, the stand-alone entity credit for each member of the group must be computed using the method that results in the greater stand-alone entity credit for that member."

■ 11. Section 1.41-6T(j), the second sentence is revised to read as follows: "Generally, a taxpayer may use any reasonable method of computing and allocating the credit for taxable years ending before May 24, 2005."

Guy Traynor,

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

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 54

[TD 9219]

RIN 1545-BC26

Section 411(d)(6) Protected Benefits

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulation.

SUMMARY: This document contains final regulations providing guidance regarding the anti-cutback rules of section 411(d)(6) of the Internal Revenue Code, which generally protect accrued benefits, early retirement benefits, retirement-type subsidies, and optional forms of benefit under qualified retirement plans. The regulations address the limited circumstances under which a qualified retirement plan is permitted to be amended to eliminate or reduce early retirement benefits, retirement-type subsidies, or optional forms of benefit.

The final regulations also provide related guidance concerning the notice requirements of section 4980F. These final regulations generally affect sponsors of, and participants in, qualified retirement plans.

DATES: *Effective date:* These regulations are effective on August 12, 2005.

Applicability date: For dates of applicability of these regulations, see § 1.411(d)-3(j) of these regulations.

FOR FURTHER INFORMATION CONTACT: Pamela R. Kinard at (202) 622-6060 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR parts 1 and 54 under sections 411(d)(6) and 4980F of the Internal Revenue Code (Code). This Treasury Decision amends § 1.411(d)3 of the Treasury regulations to reflect changes to section 411(d)(6) made by the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16 (155 Stat. 38) (EGTRRA). In addition, this Treasury Decision