

paying the tax and interest due on the excess distribution. A shareholder that makes the deemed dividend election after the due date of the return (determined without regard to extensions) for the election year must pay additional interest, pursuant to section 6601, on the amount of underpayment of tax for that year.

(ii) *Attachment to Form 8621.* The shareholder must attach a schedule to Form 8621 that demonstrates the calculation of the shareholder's pro rata share of the post-1986 earnings and profits of the PFIC that is treated as distributed to the shareholder on the termination date pursuant to this paragraph (c). If the shareholder is claiming an exclusion from its pro rata share of the post-1986 earnings and profits for an amount previously included in its income or the income of another U.S. person, the shareholder must include the following information:

(A) The name, address, and taxpayer identification number of each U.S. person that previously included an amount in income, the amount previously included in income by each such U.S. person, the provision of law pursuant to which the amount was previously included in income, and the taxable year or years of inclusion of each amount.

(B) A description of the transaction pursuant to which the shareholder acquired, directly or indirectly, the stock of the PFIC from another U.S. person, and the provision of law pursuant to which the shareholder's holding period includes the period the other U.S. person held the CFC stock.

(6) *Adjustments to basis.* A shareholder that makes the deemed dividend election increases its adjusted basis of the stock of the PFIC owned directly by the shareholder by the amount of the deemed dividend. If the shareholder makes the deemed dividend election with respect to a PFIC of which it is an indirect shareholder, the shareholder's adjusted basis of the stock or other property owned directly by the shareholder, through which ownership of the PFIC is attributed to the shareholder, is increased by the amount of the deemed dividend. In addition, solely for purposes of determining the subsequent treatment under the Code and regulations of a shareholder of the stock of the PFIC, the adjusted basis of the direct owner of the stock of the PFIC is increased by the amount of the deemed dividend.

(7) *Treatment of holding period.* If the shareholder of a foreign corporation has made a deemed dividend election, then, for purposes of applying sections 1291 through 1298 to such shareholder after

the deemed dividend, the shareholder's holding period of the stock of the foreign corporation begins on the day following the termination date. For other purposes of the Code and regulations, this holding period rule does not apply.

(8) *Coordination with section 959(e).* For purposes of section 959(e), the entire deemed dividend is treated as having been included in gross income under section 1248(a).

(d) *Termination date.* For purposes of this section, the termination date is the last day of the last taxable year of the foreign corporation during which it qualified as a PFIC under section 1297(a).

(e) *Late purging elections requiring special consent.* [Reserved]. For further guidance, see § 1.1298-3T(e).

(f) *Effective date.* This section applies for taxable years of shareholders beginning on or after December 8, 2005. However, taxpayers may apply the rules of this section to a taxable year beginning prior to December 8, 2005, provided the statute of limitations on the assessment of tax has not expired.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 6.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 7.** In § 602.101, paragraph (b) is amended by adding an entry in numerical order to the table as follows:

§ 602.101 OMB Control numbers.

* * *	
(b) * * *	
CFR part or section where identified and described	Current OMB control No.
* * *	* * *
1.1298-3	1545-1507
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Approved: November 21, 2005.

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

Eric Solomon,

Acting Deputy Assistant Secretary of the Treasury.

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 346

Department of Defense Education Activity (DoDEA)

AGENCY: Department of Defense.

ACTION: Final rule.

SUMMARY: This document removes 32 CFR Part 346, "DoD Education Activity". This part has served the purpose for which it was intended and is no longer needed. A copy of DoD Directive 1342.20, "Department of Defense Education Activity (DoDEA)," is available at <http://www.dtic.mil/whs/directives/>.

EFFECTIVE DATE: This rule is effective November 28, 2005.

FOR FURTHER INFORMATION CONTACT: L.M. Bynum 703-696-4970.

List of Subjects in 32 CFR Part 346

Education, Military personnel, Organization and functions (Government agencies).

PART 346—[REMOVED]

■ For reasons set forth in the preamble, under the authority of 10 U.S.C. 131, 32 CFR Part 346 is removed.

Dated: December 2, 2005.

L.M. Bynum,

Alternate OSD Federal Register Liaison, Department of Defense.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 86

[OAR-2004-0011; FRL 8004-7]

RIN 2060-AM32

Control of Air Pollution From New Motor Vehicles and New Motor Vehicle Engines: Technical Amendments to Evaporative Emissions Regulations, Dynamometer Regulations, and Vehicle Labeling

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is taking direct final action to make changes to certain provisions of the evaporative and refueling emission regulations for light-duty vehicles, light-duty trucks and heavy-duty vehicles up to 14,000