

648.14(a)(127), 648.122(a), 648.122(b), and 648.122(d). Accordingly, good cause exists to waive notice and comment. Furthermore, because this is a non-substantive rule, pursuant to 5 U.S.C. 553(d), this final rule is not subject to the 30-day delay in effectiveness.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number.

The public reporting burden for this collection of information is estimated to average approximately 2 minutes per vessel (twice a year). The estimated response time includes the time needed for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding these reporting burden estimates or any other aspect of the collection-of-information, including suggestions for reducing the burden, to NMFS and OMB (see **ADDRESSES**).

#### List of Subjects

##### 15 CFR Part 902

Reporting and recordkeeping requirements.

##### 50 CFR Part 648

Fisheries, Fishing, Reporting and recordkeeping requirements.

Dated: March 12, 2003.

**William T. Hogarth,**

*Assistant Administrator for Fisheries,  
National Marine Fisheries Service.*

For the reasons set out in the preamble, 15 CFR part 902, chapter IX is amended as follows:

#### **PART 902—NOAA INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT: OMB CONTROL NUMBERS**

1. The authority citation for part 902 continues to read as follows:

**Authority:** 44 U.S.C. 350 *et seq.*

2. In § 902.1, the table in paragraph (b) under 50 CFR is amended by adding new entries for 648.14 and 648.122, in numerical order, to read as follows:

#### **§ 902.1 OMB Control numbers assigned pursuant to the Paperwork Reduction Act.**

CFR part or section where the information collection requirement is located	Current OMB control number (all numbers begin with 0648-)
* * * *	*
50 CFR	
* * * *	*
648.14	-0469
* * * *	*
648.122	-0469
* * * *	*

(b) \* \* \*

CFR part or section where the information collection requirement is located	Current OMB control number (all numbers begin with 0648-)
* * * *	*
50 CFR	
* * * *	*
648.14	-0469
* * * *	*
648.122	-0469
* * * *	*

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## **DEPARTMENT OF THE TREASURY**

### **Internal Revenue Service**

#### **26 CFR Part 1**

[TD 9049]

**RIN 1545-BA50**

#### **Amendments to Rules for Determination of Basis of Partner's Interest; Special Rules**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to special rules on determination of basis of a partner's interest under section 705. The final regulations are necessary to coordinate sections 705 and 1032.

**DATES:** *Effective Date:* These regulations are effective March 18, 2003.

*Applicability Date:* For dates of applicability, see § 1.705-2(e).

**FOR FURTHER INFORMATION CONTACT:** Barbara (MacMillan) Campbell or Rebekah A. Myers (202) 622-3050 (not a toll-free number).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On March 29, 2002, the Treasury Department and the IRS published final regulations (TD 8986; 2002-16 I.R.B. 780) under section 705 of the Internal Revenue Code (Code) in the **Federal Register** (67 FR 15112). Those final regulations provide guidance on the coordination of sections 705 and 1032 in situations where a corporation acquires an interest in a partnership that holds stock in that corporation, a section 754 election is not in effect with respect to the partnership for the taxable

year in which the corporation acquires the interest, and the partnership later sells or exchanges the stock. During the development of those final regulations, the Treasury Department and the IRS considered other issues related to the coordination of sections 705 and 1032. Accordingly, also on March 29, 2002, the Treasury Department and the IRS published proposed regulations (REG-167648-01; 2002-16 I.R.B. 790) to revise the final regulations contained in § 1.705-2 of 26 CFR part 1 in the **Federal Register** (67 FR 15132). No written comments were received in response to the notice of proposed rulemaking, and no public hearing was requested or held. The proposed regulations are adopted as revised by this Treasury decision.

#### **Explanation of Provisions**

##### *1. Overview of Proposed Regulations*

The proposed regulations apply to situations where a corporation owns a direct or indirect interest in a partnership that owns stock in that corporation, the partnership distributes money or other property to another partner and that partner recognizes gain on the distribution during a year in which the partnership does not have an election under section 754 in effect, and the partnership subsequently sells or exchanges the stock. As stated in the preamble to the proposed regulations, in these situations it may be inconsistent with the intent of sections 705 and 1032 to increase the basis of the corporation's partnership interest by the full amount of any gain resulting from the partnership's sale or exchange of the stock which is not recognized by the corporation under section 1032.

Accordingly, the proposed regulations revise the purpose statement of § 1.705-2(a) to take into account situations involving such partnership distributions. The proposed regulations provide a specific rule implementing the revised purpose in single partnership cases. The proposed regulations also revise § 1.705-2(c) to clarify that the tiered partnerships rule applies to situations involving such partnership distributions.

In addition, the proposed regulations clarify that references in the regulations to stock of a corporate partner include any position in stock of a corporate partner to which section 1032 applies.

##### *2. Revisions in Final Regulations*

These final regulations follow the proposed regulations but extend the rules of the proposed regulations to situations where a corporation owns a direct or indirect interest in a