

*Example.* (i) A, B, and C form equal partnership PRS. A contributes \$50,000 and Asset 1, nondepreciable capital gain property with a fair market value of \$50,000 and an adjusted tax basis of \$25,000. B and C each contributes \$100,000. PRS uses the cash to purchase Assets 2, 3, 4, 5, and 6. Assets 2 and 3 are nondepreciable capital assets, and Assets 4, 5, and 6 are inventory that has not appreciated substantially in value within the meaning of section 751(b)(3). Assets 4, 5, and 6 are the only assets held by the partnership that are subject to section 751. The partnership has an election in effect under section 754. After seven years, the adjusted basis and fair market value of PRS's assets are as follows:

\* \* \* \* \*

(d) *Required statements.* See § 1.743–1(k)(2) for provisions requiring the transferee of a partnership interest to provide information to the partnership relating to the transfer of an interest in the partnership. See § 1.743–1(k)(1) for a provision requiring the partnership to attach a statement to the partnership return showing the computation of a basis adjustment under section 743(b) and the partnership properties to which the adjustment is allocated under section 755. See § 1.732–1(d)(3) for a provision requiring a transferee partner to attach a statement to its return showing the computation of a basis adjustment under section 732(d) and the partnership properties to which the adjustment is allocated under section 755. See § 1.732–1(d)(5) for a provision requiring the partnership to provide information to a transferee partner reporting a basis adjustment under section 732(d).

(e) *Effective Date*—(1) *Generally.* Except as provided in paragraphs (b)(5) and (e)(2) of this section, this section applies to transfers of partnership interests and distributions of property from a partnership that occur on or after December 15, 1999.

(2) *Special rules.* Paragraphs (a) and (b)(3)(iii) of this section apply to transfers of partnership interests and distributions of property from a partnership that occur on or after June 9, 2003.

#### § 1.755–2T [Removed]

■ **Par. 3.** Section 1.755–2T is removed.

■ **Par. 4.** In § 1.1060–1, paragraph (e)(2) is revised to read as follows:

#### § 1.1060–1 Special allocation rules for certain asset acquisitions.

\* \* \* \* \*

(e) \* \* \*

(2) *Transfers of interests in partnerships.* For reporting requirements relating to the transfer of a partnership interest, see § 1.755–1(d).

## PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 5.** The authority citation for part 602 continues to read as follows:

*Authority:* 26 U.S.C. 7805.

#### § 602.101 [Amended]

■ **Par. 6.** In § 602.101, paragraph (b), the entry for “1.755–2T” is removed.

**David A. Mader,**

*Assistant Deputy Commissioner of Internal Revenue.*

Approved: May 22, 2003.

**Pamela F. Olson,**

*Assistant Secretary of the Treasury.*

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## DEPARTMENT OF JUSTICE

### Bureau of Prisons

#### 28 CFR Part 571

[BOP–1097–F]

RIN 1120–AA93

### Release Gratuities, Transportation, and Clothing: Aliens

**AGENCY:** Bureau of Prisons, Justice.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the Bureau of Prisons (Bureau) regulations on release gratuities, transportation, and clothing to limit the release gratuity available to aliens. Only aliens released to immigration authorities for release or transfer to a community corrections center are eligible for a gratuity of up to \$10. Aliens released for deportation, exclusion, or removal, or aliens detained or serving 60 days or less in a contract facility will not receive any release gratuity. We intend this rule to reduce costs by providing the gratuity only to those aliens whom the Bureau determines to be in need.

**DATES:** This rule is effective on July 9, 2003.

**ADDRESSES:** Rules Unit, Office of General Counsel, Bureau of Prisons, 320 First Street, NW., Washington, DC 20534.

**FOR FURTHER INFORMATION CONTACT:** Sarah Qureshi, Office of General Counsel, Bureau of Prisons, phone (202)307–2105.

**SUPPLEMENTARY INFORMATION:** The Bureau published a proposed rule amending its regulations on release gratuities, transportation, and clothing (28 CFR 571, subpart C) on October 4,

1999 (64 FR 53872). The previous regulations on this subject were published in the **Federal Register** on May 21, 1991 (56 FR 23480) and were amended on September 10, 1996 (61 FR 47795).

### Change to the Previous Rule

Previous provisions on release gratuities in section 571.21(e) specified that with the exception of aliens serving 60 days or less in contract facilities, each alien released to immigration authorities is to have \$10 cash.

Under this final rule, aliens released for the purpose of deportation, exclusion, or removal will not receive a \$10 gratuity. Because these inmates are to become the responsibility of the Bureau of Citizenship and Immigration Services (BCIS), it is not appropriate for the Bureau to provide a \$10 gratuity.

We estimate that approximately 8.5% of the total inmate population of the Federal Bureau of Prisons will be affected by this rule.

### Public Comment and Bureau Response

We received five comments on the proposed rule. One commenter supported the rule, indicating that it would reduce cost to the Bureau.

Two commenters expressed concern that when aliens are released to the Immigration and Naturalization Service (INS, now the Bureau of Citizenship and Immigration Services [BCIS]), they may not necessarily be released for the purposes of exclusion, deportation or removal, and therefore still need a \$10 gratuity. One commenter was concerned that aliens may be “wrongly classified” by the Bureau as being excludable, deportable, or removable, a decision which, the commenter said, cannot be made without “a hearing before an Immigration judge.”

The Bureau's policies regarding release of aliens to the INS (BCIS) for exclusion, deportation, or removal can be found in the Bureau's Program Statement on the Institution Hearing Program (PS 5111.01), accessible on the internet at [www.bop.gov](http://www.bop.gov) or through the Freedom of Information Act process. This describes the process for identifying aliens for release to the INS (BCIS) for purposes of exclusion, deportation or removal. The Bureau, INS (BCIS) and the Executive Office for Immigration Review (EOIR) jointly developed the Institution Hearing Program (IHP) to ensure that deportation proceedings begin as quickly as possible after an alien inmate's conviction and finish before the alien inmate's release date.

IHP hearing sites are specific institutions where alien inmates