

March 9, 2002. Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** revise § 1.448–2T of part 1 of title 26 of the Code of Federal Regulations. Those regulations pertain to the nonaccrual of certain amounts by taxpayers using an accrual method of accounting and performing services. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments and these proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that, as previously noted, the estimated burden associated with the information collection averages three hours per respondent. Moreover, for taxpayers who are eligible to use these regulations and who follow these regulations, any burden imposed on taxpayers due to the collection of information in these regulations will be outweighed by the benefit taxpayers will receive by accruing less income than otherwise would be required. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact.

Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed rule and how it may be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for December 10, 2003, beginning at 10 a.m. in the IRS Auditorium of the Internal Revenue Building, 1111

Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, *see* the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit electronic or written comments and an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by November 19, 2003.

A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal author of these regulations is Terrance McWhorter, Office of Associate Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority for part 1 continues to read in part as follows:

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

Par. 2. Section 1.448–2 is added as follows:

§ 1.448–2 Nonaccrual of certain amounts by service providers.

[The text of proposed § 1.448–2 is the same as the text of § 1.448–2T published

elsewhere in this issue of the **Federal Register**.]

Judith B. Tomaso,

Acting Deputy Commissioner for Services and Enforcement.

[FR Doc. 03–22459 Filed 9–3–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–116914–03]

RIN 1545–BC06

Transfer of Compensatory Options; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: This document contains a correction to a notice of proposed rulemaking by cross-reference to temporary regulations that were published in the **Federal Register** on Wednesday, July 2, 2003 (68 FR 39498), relating to the sale or other disposition of compensatory nonstatutory stock options to related persons.

FOR FURTHER INFORMATION CONTACT: Stephen Tackney at (202) 622–6030 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking by cross-reference to temporary regulations that is the subject of this correction is under section 83 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking by cross-reference to temporary regulations contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking by cross-reference to temporary regulations (REG–116914–03), that was the subject of FR Doc. 03–16787, is corrected as follows:

On page 39498, column 2, in the preamble under the paragraph heading “Special Analyses”, second line, the language “temporary regulations are not