

# Proposed Rules

**Federal Register**

Vol. 64, No. 126

Thursday, July 1, 1999

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-105327-99]

RIN 1545-AX03

#### Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations providing guidance to holders and issuers of qualified zone academy bonds. These proposed regulations would change the method of ascertaining the qualified zone academy bond credit rate and would provide reimbursement rules. State and local governments that issue qualified zone academy bonds would be affected by these proposed regulations. The text of the temporary regulations also serves as the text of these proposed regulations. This document also provides a notice of public hearing on these proposed regulations.

**DATES:** Written and electronic comments must be received by September 29, 1999. Outlines of topics to be discussed at the public hearing scheduled for November 9, 1999, at 10 a.m. must be received by October 19, 1999.

**ADDRESSES:** Send Submissions to: CC:DOM:CORP:R (REG-105327-99),

room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-105327-99), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at [http://www.irs.ustreas.gov/tax\\_regs/reglist.html](http://www.irs.ustreas.gov/tax_regs/reglist.html). The public hearing will be held in the room 2615, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, Timothy L. Jones at 202-622-3980; concerning submissions of comments, the hearing and/or to be placed on the building access list to attend the hearing, Michael Slaughter at 202-622-7190 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 226(a) of the Taxpayer Relief Act of 1997, Public Law 105-34 (111 Stat. 788) amended the Internal Revenue Code by redesignating section 1397E as 1397F and adding a new section 1397E. Section 1397E authorizes a new type of debt instrument known as a qualified zone academy bond. Temporary Regulations (TD 8755) interpreting section 1397E were published on January 7, 1998 (63 FR 671), as § 1.1397E-1T.

Temporary regulations amending § 1.1397E-1T are published in the Rules and Regulations portion of this issue of the Federal Register. Section 1.1397E-1T is amended by revising paragraphs (b) and (j), redesignating paragraph (h) as paragraph (i) and adding new paragraph (h). The text of the temporary regulations also serves as the text of these proposed regulations. An explanation of the regulations may be

found in the preamble of the temporary regulations.

#### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply. The Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply because these regulations do not impose a collection of information on small entities. Pursuant to section 7805(f) of the 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 on small business.

#### Comments and Public Hearing

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

A public hearing has been scheduled for November 19, 1999, beginning at 10 a.m. in room 2615 of the Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the 10th Street entrance, located between Constitution and Pennsylvania Avenues, NW. 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 15 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 written comments by September 29, 1999 and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by October 19, 1999. 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 Timothy L. Jones, Office of Assistant Chief Counsel (Financial Institutions & Products). However, other personnel from IRS and the 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 citation for part 1 continues to read in part as follows:

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

**Par. 2.** Section 1.1397E-1 as proposed to be added at 63 FR 708 is amended by:

1. Revising paragraphs (b) and (j);
2. Redesignating paragraph (h) as paragraph (i);
3. Adding new paragraph (h).

The revisions and addition read as follows:

#### § 1.1397E-1 Qualified zone academy bonds.

[The text of proposed paragraphs (b), (h) and (j) is the same as the text of

§ 1.1397E-1T(b), (h), and (j) published elsewhere in this issue of the **Federal Register**.]

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 99-16622 Filed 6-30-99; 8:45 am]

BILLING CODE 4830-01-P

#### DEPARTMENT OF TRANSPORTATION

#### Research and Special Programs Administration

#### 49 CFR Part 192

[Docket No. RSPA-98-4868, Notice 3]

RIN 2137-AB15

#### Gas Gathering Line Definition

**AGENCY:** Research and Special Programs Administration (RSPA), DOT.

**ACTION:** Notice of extension of public comment period.

**SUMMARY:** This notice announces an extension to October 8, 1999 for RSPA's public comment period for identifying issues related to gas gathering lines.

**DATES:** Submit comments to the docket on or before October 8, 1999.

**ADDRESSES:** Address written comments to the Dockets Management System, U.S. Department of Transportation, Room PL-401, 400 Seventh Street, SW, Washington, DC 20590-0001. Comments should identify the Docket No. RSPA-98-4868. Persons wishing to receive confirmation of receipt of their comments should include a self-addressed, stamped postcard.

The Dockets Management System is located on the Plaza Level of the Department of Transportation's Nassif Building at 400 Seventh Street, SW, Washington, DC. Public dockets may be reviewed in person between the hours of 10:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays. In addition, the public may also review comments by accessing the Docket Management System's home page at <http://dms.dot.gov>. An electronic copy of any document may be downloaded

from the Government Printing Office Electronic Bulletin Board Service at (202) 512-1661.

**FOR FURTHER INFORMATION CONTACT:** L.E. Herrick, (202) 366-5523, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590-0001.

**SUPPLEMENTARY INFORMATION:** On 11 March, 1999, we published a notice in the **Federal Register** announcing an Internet public discussion forum on gas gathering for the purposes of pipeline safety regulation (64 FR, 12147-12148, March 11, 1999). This Internet discussion forum was scheduled from April 13, 1999 through May 3, 1999. In addition to the Internet discussion forum, we provided the opportunity for interested persons to submit comment to a rulemaking docket. This rulemaking docket comment period was scheduled to close on April 28, 1999. At the request of several participants in the Internet discussion forum, we extended the forum for an additional three weeks until May 17, 1999. In order to provide sufficient opportunity for review of the discussion forum we extended the rulemaking docket comment period to July 7, 1999 (64 FR 23256, April 30, 1999).

On June 22, 1999, we received a request from the American Petroleum Institute (API) to further extend the comment period an additional 90 days. API stated that an industry coalition had been formed to address our request for comments. The coalition includes representation from the American Petroleum Institute, the Gas Processors Association, the Appalachia Producers Association, the Independent Petroleum Association of America, oil and gas associations from Ohio, Texas, Oklahoma, Kansas, Alaska, Colorado, and others. According to API, the coalition members plan to file written comments after reaching a consensus that addresses industry concerns. However, due to the complexity of the issue, the summer schedule, and to ensure that the comments reflect a broad consensus within the petroleum industry and with state and local interests, a 90-day extension to the comment period was needed.