DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9025]

RIN 1545–BA05

Intercompany Transactions: Conforming Amendments to Section 446

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: On July 18, 1995, the Treasury Department and the IRS published final regulations governing the intercompany transaction system of the consolidated return regulations. Those regulations state that the timing rules of the intercompany transaction system are a method of accounting. At the time of the publication of those regulations, no amendment was made to the regulations promulgated under section 446 to coordinate with that statement. This document contains final regulations confirming that the timing rules of the intercompany transaction regulations are a method of accounting. These regulations apply to all taxpayers filing consolidated returns.

DATES: *Effective Date:* These regulations are effective December 16, 2002.

Applicability Date: These regulations apply to consolidated return years beginning on or after November 7, 2001.

FOR FURTHER INFORMATION CONTACT: Vincent Daly, (202) 622–7770, or Jeffery G. Mitchell (202) 622–4930 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

On July 18, 1995, the Treasury Department and the IRS published in the **Federal Register** (60 FR 36671 (1995–2 C.B. 147)) final regulations under § 1.1502–13 governing the intercompany transaction system of the consolidated return regulations. Included in such regulations was an express statement that ''[t]he timing rules of [the intercompany transaction regulations] are a method of accounting for intercompany transactions, to be applied by each member in addition to the member's other methods of accounting.'' § 1.1502–13(a)(3)(i). At the time of the publication of those final regulations, no amendment was made to the regulations promulgated under section 446 to coordinate with the statement in § 1.1502–13(a)(3)(i) that the timing rules of § 1.1502–13 are a method of accounting.

In *General Motors* v. *Commissioner*, 112 T.C. 270 (1999), the Tax Court determined that the timing rule of former § 1.1502–13(b)(2) was not a method of accounting for purposes of section 446(e). On November 7, 2001, the Treasury and the IRS published in the **Federal Register** a notice of proposed rulemaking (REG–125161–01, 66 FR 56262 (2001–48 I.R.B. 538)) proposing amendments to CFR part 1 under section 446 of the Internal Revenue Code to confirm that the timing rules of § 1.1502–13 are a method of accounting. No written comments responding to the notice of proposed rulemaking were received, and no public hearing was requested or held. Therefore, the proposed regulations are adopted by this Treasury decision without change.

Special Analyses

It has been determined that this Treasury decision 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. Because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Vincent Daly, Office of the Associate Chief Counsel (Corporate). 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.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

2. Section 1.446–1 is amended by adding paragraph (c)(2)(iii) to read as follows:

§ 1.446–1 General rule for methods of accounting.

* * * * *

(c) * * *

(2) * * *

(iii) The timing rules of § 1.1502–13 are a method of accounting for intercompany transactions (as defined in § 1.1502–13(b)(1)(i)), to be applied by each member of a consolidated group in addition to the member's other methods of accounting. *See* § 1.1502–13(a)(3)(i). This paragraph (c)(2)(iii) is applicable to consolidated return years beginning on or after November 7, 2001.

* * * * *

3. In § 1.1502–13, the second sentence of paragraph (a)(3)(i) is revised to read as follows:

§ 1.1502–13 Intercompany transactions.

(a) * * *

(3) * * *

(i) * * * *See* § 1.1502–17 and, with regard to consolidated return years beginning on or after November 7, 2001, § 1.446–1(c)(2)(iii). * * *

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David A. Mader,

Assistant Deputy Commissioner of Internal Revenue.

Approved: December 9, 2002.

Pamela F. Olson,

Assistant Secretary of the Treasury.

[FR Doc. 02–31614 Filed 12–13–02; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF LABOR

Employment Standards Administration; Wage and Hour Division

29 CFR Part 500

Migrant and Seasonal Agricultural Worker Protection

AGENCY: Wage and Hour Division, Employment Standards Administration, Labor.

ACTION: Final rule.

SUMMARY: The purpose of this document is to change the Public Registry toll-free telephone number listed in § 500.170 of regulations, 29 CFR part 500.

DATES: This rule is effective on December 16, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Ziegler, Team Leader, Farm Labor Team, Office of Enforcement Policy, Wage and Hour Division, Employment

Standards Administration, U.S. Department Labor, Telephone (202) 693–0700. This is not a toll free number.

SUPPLEMENTARY INFORMATION:

I. Paperwork Reduction Act

This rule imposes no reporting or recordkeeping requirements on the public.

II. Background

Section 500.170 of regulations, 29 CFR part 500 requires the Administrator to establish a Central Public Registry of all persons issued a Certificate of Registration or a Farm Labor Contractor Employee Certificate. Information contained within the registry is made available upon request, either via the mail or by telephone. The toll-free number to call for obtaining information from the central public registry was formerly 1–800–800–0235. The Department of Labor's change in phone service has resulted in a new toll-free number for all public inquiries. The new number is 1–866–4US–WAGE (1–866–487–9243).

A. Summary of Rule

Section 500.170 of Regulations, 29 CFR part 500 is amended to provide for a new toll-free telephone number for obtaining information contained in the Central Public Registry. The new number is 1–866–4US–WAGE (1–866–487–9243).

B. Executive Order 12866

Because this rule merely changes the applicable toll-free telephone number for obtaining registry information, it is limited to agency organization and management matters and is, therefore, not subject to the requirements of Executive Order 12866. *See* Sec. 3(d)(3) of E.O. 12866.

C. Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for the rule under 5 U.S.C. 553(b)(3), the requirements of the Regulatory Flexibility Act, Public Law 96–354, 94 Stat. 1165, 5 U.S.C. 601 *et seq.* pertaining to regulatory flexibility analysis, do not apply to this rule. *See* 5 U.S.C 601(2). The rule simply changes an applicable telephone number and will not have a significant economic impact on a substantial number of small entities.

D. Administrative Procedure Act

This regulation relates to internal agency practice or management or organization and is procedural in nature. Accordingly, pursuant to 5 U.S.C. §§ 553(a)(2) and 553 (b)(3)(A), the requirements for prior notice and public comment do not apply to this rule.

The Secretary also for good cause finds, pursuant to 5 U.S.C. 553(d)(3), that this rule should take effect immediately because it is merely a technical procedural change in an applicable toll-free telephone number which does not affect any substantive rights.

E. Document Preparation

This document was prepared under the direction and control of Tammy D. McCutchen, Administrator, Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor.

List of Subjects in 29 CFR Part 500

Administrative practice and procedure, Agricultural, Aliens, Carpools, Farmer, Farm labor contractor, Housing standards, Immigration, Insurance, Investigation, Labor, Manpower training programs, Migrant labor, Motor carriers, Motor vehicle safety, Occupational safety and health, Penalties, Reporting requirements, Safety, Seasonal agricultural workers, Transportation, Wages.

For the reasons set forth above, 29 CFR part 500 is amended as set forth below.

Signed at Washington, DC on this 10th day of December, 2002.

Tammy D. McCutchen,

Administrator, Wage and Hour Division.

PART 500—MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION

1. The authority citation for part 500 is revised to read as follows:

Authority: Pub. L. 97–470, 96 Stat. 2583 (29 U.S.C. 1801–1872); Secretary's Order No. 4–2001, 66 FR 29656.

2. Section 500.170 is revised to read as follows:

§ 500.170 Establishment of registry.

The Administrator shall establish a central public registry of all persons issued a Certificate of Registration or a Farm Labor Contractor Employee Certificate. The central public registry shall be available at the Regional Offices of the Wage and Hour Division and its National Office in Washington, DC. Information filed therein shall be made available upon request. Requests for information contained in the registry may also be directed by mail to the Administrator, Wage and Hour Division. Attn: MSPA, U.S. Department of Labor, Washington, DC 20210. Alternatively, requests for registry information may be made by telephone by calling 1–866–4US–WAGE (1–866–487–9243), a toll-free number, during the hours of 8 a.m. to 5 p.m., in your time zone, Monday through Friday.

[FR Doc. 02–31525 Filed 12–13–02; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD07–02–122]

RIN 2115–AE46

Special Local Regulations; Winterfest Boat Parade, Broward County, Fort Lauderdale, FL

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: The Coast Guard is establishing special local regulations for the annual Winterfest Boat Parade held on the first Saturday falling between December 13 and 19, inclusive, each year in Fort Lauderdale, Florida. This rule creates four separate regulated areas and restricts operations of non-participant vessels in the regulated areas. These regulations are to provide for the safety of life on navigable waters during the event.

DATES: This rule is effective from 4 p.m. until 11 p.m. annually, on the first Saturday falling between December 13 and 19, inclusive.

ADDRESSES: Documents indicated in this preamble as being available in the docket, are part of [CGD07–02–122] and are available for inspection or copying at Coast Guard Group Miami, 100 MacArthur Causeway, Miami Beach, Florida, 33139 between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: BMC Sorensen or BM1 Vaughn, Coast Guard Group Miami, Florida at (305) 535–4317.

SUPPLEMENTARY INFORMATION:

Regulatory Information

On October 31, 2002, we published a notice of proposed rulemaking (NPRM) entitled ''Special Local Regulations; Winterfest Boat Parade, Borward County, Fort Lauderdale, FL'' in the **Federal Register** (67 FR 66349). We did not receive any letters commenting on the proposed rule. No public hearing was requested, and none was held.

Background and Purpose

The Winterfest Boat Parade is a nighttime parade of approximately 110