

approval of the Commissioner. See § 1.441-1. An electing S corporation that wants to adopt any other taxable year, must establish a business purpose and obtain the approval of the Commissioner under section 442.

(c) *Change in taxable year.* An S corporation or electing S corporation that wants to change its taxable year must obtain the approval of the Commissioner under section 442 or make an election under section 444. However, an S corporation or electing S corporation may obtain automatic approval for certain changes, including a change to its required taxable year, pursuant to administrative procedures published by the Commissioner.

(d) *Retention of taxable year.* In certain cases, an S corporation or electing S corporation will be required to change its taxable year unless it obtains the approval of the Commissioner under section 442, or makes an election under section 444, to retain its current taxable year. For example, a corporation using a June 30 fiscal year that elects to be an S corporation and, as a result, is required to use the calendar year must obtain the approval of the Commissioner to retain its current fiscal year.

(e) *Procedures for obtaining approval or making a section 444 election—(1) In general.* See § 1.442-1(b) for procedures to obtain the approval of the Commissioner (automatically or otherwise) to adopt, change, or retain a taxable year. See §§ 1.444-1T and 1.444-2T for qualifications, and 1.444-3T for procedures, for making an election under section 444.

(2) *Special rules for electing S corporations.* An electing S corporation that wants to adopt, change to, or retain a taxable year other than its required taxable year must request approval of the Commissioner on Form 2553 (Election by a Small Business Corporation) when the election to be an S corporation is filed pursuant to section 1362(b) and § 1.1362-6. See § 1.1362-6(a)(2)(i) for the manner of making an election to be an S corporation. If such corporation receives permission to adopt, change to, or retain a taxable year other than its required taxable year, the election to be an S corporation will be effective. Denial of the request renders the election ineffective unless the corporation agrees that, in the event the request to adopt, change to, or retain a taxable year other than its required taxable year is denied, it will adopt, change to, or retain its required taxable year or, if applicable, make an election under section 444.

(f) *Effective date.* The rules of this section are applicable for taxable years

ending on or after the date these regulations are published in the **Federal Register** as final regulations.

#### **PART 5c—TEMPORARY INCOME TAX REGULATIONS UNDER THE ECONOMIC RECOVERY TAX ACT OF 1981**

**Par. 11.** The authority citation for part 5c continues to read as follows:

**Authority:** 26 U.S.C. 168(f)(8)(G) and 7805.

#### **§ 5c.442-1 [Removed]**

**Par. 12.** Section 5c.442-1 is removed.

#### **PART 5f—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982**

**Par. 13.** The authority citation for part 5f continues to read in part as follows:

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

#### **§ 5f.442-1 [Removed]**

**Par. 14.** Section 5f.442-1 is removed.

#### **PART 18—TEMPORARY INCOME TAX REGULATIONS UNDER THE SUBCHAPTER S REVISION ACT OF 1982**

**Par. 15.** The authority citation for part 18 continues to read as follows:

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

#### **§ 18.1378-1 [Removed]**

**Par. 16.** Section 18.1378-1 is removed.

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 01-13536 Filed 6-12-01; 8:45 am]

**BILLING CODE 4830-01-P**

## **DEPARTMENT OF TRANSPORTATION**

### **Coast Guard**

#### **33 CFR Part 100**

**[CGD05-00-046]**

**RIN 2115-AE46**

#### **Special Local Regulations for Marine Events; Fireworks Displays, Patapsco River, Baltimore, Maryland**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to establish permanent special local regulations for fireworks displays to be held over the waters of the Patapsco River, Baltimore, Maryland. These special local regulations are necessary to provide for the safety of life on navigable waters during the fireworks

displays. This action is intended to temporarily restrict vessel traffic in the Patapsco River to protect spectator craft and other vessels transiting the event area from the dangers associated with the fireworks.

**DATES:** Comments and related material must reach the Coast Guard on or before August 13, 2001.

**ADDRESSES:** You may mail comments and related material to Commander (Aoax), Fifth Coast Guard District, 431 Crawford Street, Portsmouth, Virginia 23704-5004, hand-deliver them to Room 119 at the same address between 9 a.m. and 2 p.m., Monday through Friday, except Federal holidays, or fax them to (757) 398-6203. Commander (Aoax), Fifth Coast Guard District, maintains the public docket for this rulemaking. Comments and materials received from the public as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at the above address between 9 a.m. and 2 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Chief Warrant Officer R. Houck, Marine Events Coordinator, Commander, Coast Guard Activities Baltimore, telephone number (410) 576-2674.

#### **SUPPLEMENTARY INFORMATION:**

##### **Request for Comments**

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (CGD05-00-046), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8½ by 11 inches, suitable for copying. If you would like to know that your comments reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

##### **Public Meeting**

We do not now plan to hold a public meeting. But you may submit a request for a meeting by writing to the address listed under **ADDRESSES** explaining why one would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

## Background and Purpose

The Baltimore Office of Promotions sponsors fireworks displays at various times throughout the year over the waters of the Patapsco River, Inner Harbor and Northwest Harbor, near Baltimore, Maryland. The events consist of pyrotechnic displays fired from two barges positioned in the Inner Harbor and Northwest Harbor. A large fleet of spectator vessels gathers nearby to observe the fireworks. Due to the need for vessel control during the fireworks displays, vessel traffic would be temporarily restricted to provide for the safety of spectators and transiting vessels.

## Discussion of Proposed Rule

The Coast Guard proposes to establish special local regulations on specified waters of the Patapsco River. The special local regulations would temporarily restrict general navigation in the event area during the fireworks. Except for persons or vessels authorized by the Coast Guard Patrol Commander, no person or vessel may enter or remain in the regulated area during the enforcement time period. These regulations are needed to control vessel traffic during the fireworks displays to enhance the safety of spectators and transiting vessels.

## Regulatory Evaluation

This proposed rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040, February 26, 1979).

We expect the economic impact of this proposed rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary.

Although this proposed rule will prevent traffic from transiting a portion of the Patapsco River during the events, the economic effect of this regulation will not be significant due to the limited duration of the regulation and the extensive advance notifications that will be made to the maritime community via the Local Notice to Mariners, marine information broadcasts, and area newspapers so mariners can adjust their plans accordingly.

## Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we considered

whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities.

This proposed rule would affect the owners or operators of vessels, some of whom may be small entities, intending to transit or anchor in the effected portions of the Patapsco River during the events.

Although this regulation would prevent traffic from transiting or anchoring in portions of the Patapsco River during the event, the economic effect of this regulation would not be significant because of its limited duration and the extensive advance notifications that will be made to the maritime community via the Local Notice to Mariners, marine information broadcasts, and area newspapers, so mariners can adjust their plans accordingly.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

## Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121), we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the address listed under **ADDRESSES**.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you

wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247).

## Collection of Information

This proposed rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

## Federalism

We have analyzed this proposed rule under Executive Order 13132 and have determined that this rule does not have implications for federalism under that Order.

## Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or tribal government or the private sector to incur direct costs without the Federal Government's having first provided the funds to pay those costs. This proposed rule will not impose an unfunded mandate.

## Taking of Private Property

This proposed rule would not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

## Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

## Protection of Children

We have analyzed this proposed rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not concern an environmental risk to health or risk to safety that may disproportionately affect children.

## Environment

We prepared an "Environmental Assessment" in accordance with Commandant Instruction M16475.1C, and determined that this proposed rule will not significantly affect the quality of the human environment. The "Environmental Assessment" and "Finding of No Significant Impact" is available in the docket where indicated under **ADDRESSES**.

**List of Subjects in 33 CFR Part 100**

Marine safety, Navigation (water), Reporting and recordkeeping requirements, Waterways.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 33 CFR part 100 as follows:

**PART 100—MARINE EVENTS**

1. The authority citation for part 100 continues to read as follows:

**Authority:** 33 U.S.C. 1233 through 1236; 49 CFR 1.46; 33 CFR 100.35.

2. Section 100.526 is added to read as follows:

**§ 100.526 Fireworks Displays, Patapsco River, Baltimore, Maryland.**

(a) *Definitions*—(1) *Inner Harbor Regulated Area*. The Inner Harbor Regulated Area is defined as the waters of the Patapsco River enclosed within the arc of a circle with a radius of 400 feet and with its center located at latitude 39°16.9' N, longitude 076°36.3&prime; W. All coordinates reference Datum NAD 1983.

(2) *Northwest Harbor Regulated Area*. The Northwest Harbor Regulated Area is defined as the waters of the Patapsco River enclosed within the arc of a circle with a radius of 500 feet and with its center located at latitude 39°16.6' N, longitude 076°35.8' W. All coordinates reference Datum NAD 1983.

(3) *Coast Guard Patrol Commander*. The Coast Guard Patrol Commander is a commissioned, warrant, or petty officer of the Coast Guard who has been designated by the Commander, Coast Guard Activities Baltimore.

(4) *Official Patrol*. The Official Patrol is any vessel assigned or approved by Commander, Coast Guard Activities Baltimore with a commissioned, warrant, or petty officer of the Coast Guard on board and displaying a Coast Guard ensign.

(b) *Special Local Regulations*. (1) Except for persons or vessels authorized by the Coast Guard Patrol Commander, no person or vessel may enter or remain in the Inner Harbor Regulated Area or the Northwest Harbor Regulated Area.

(2) The operator of any vessel in these areas shall:

(i) Stop the vessel immediately when directed to do so by any official patrol.

(ii) Proceed as directed by any official patrol.

(c) *Effective Dates*: This section is effective:

(1) Annually from 8:30 p.m. on July 4 until 9:30 p.m. on July 4; and

(2) Annually from 11:45 p.m. on December 31 until 12:45 a.m. on January 1.

(d) *Rain Dates*: If the July 4 fireworks display is cancelled for the evening due to inclement weather, then this section is effective between 8:30 p.m. and 9:30 p.m. on July 5. If the December 31 fireworks display is cancelled for the evening due to inclement weather, then this section is effective from 11:45 p.m. on January 1 until 12:45 a.m. on January 2. Notice of the effective period will be given via Marine Safety Radio Broadcast on VHF-FM marine band radio, Channel 22 (157.1 MHz).

Dated: 23 May 2001.

**J.E. Shkor,**

*Vice Admiral, U.S. Coast Guard Commander, Fifth Coast Guard District.*

[FR Doc. 01-14819 Filed 6-12-01; 8:45 am]

**BILLING CODE 4910-15-U**

**DEPARTMENT OF TRANSPORTATION****Coast Guard****33 CFR Part 165**

[CGD11-01-008]

**RIN 2115-AA97**

**Security Zone; Naval Supply Center Pier, San Diego Bay, CA**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to create a permanent security zone around the Naval Supply Center Pier at Naval Base, San Diego, at the request of the U.S. Navy. The establishment of this security zone is needed to ensure the physical protection of naval vessels moored at the Naval Supply Center Pier.

**DATES:** Comments must be received on or before August 13, 2001.

**ADDRESSES:** Comments may be mailed to LTJG Erin Calvert, U.S. Coast Guard Marine Safety Office, 2716 North Harbor Drive, San Diego, CA, 92101-1064, (619) 683-6477. The Marine Safety Office maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection and copying at the Marine Safety Office between 7:30 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant Patricia Springer, Vessel Traffic Management Section, 11th Coast Guard District, telephone (510) 437-2951; e-mail pspringer@d11.uscg.mil.

**SUPPLEMENTARY INFORMATION:**

**Request for Comments**

Interested persons are invited to participate in this proposed rulemaking by submitting written views, data, or any other materials to the address listed under **ADDRESSES**. Persons submitting comments should include their names and addresses, identify the docket number for this rulemaking, the specific section of the proposal to which their comments apply, and give reasons for each comment. The Coast Guard requests that all comments and attachments be submitted in an unbound format suitable for copying and electronic filing. If this is not practical, a second copy of any bound materials is requested. Persons wanting acknowledgment of receipt of comments should enclose a stamped, self-addressed postcard or envelope. The Coast Guard will consider all comments received during the comment period and may change this proposal in view of the comments.

No public hearing is planned, but one may be held if written requests for a hearing are received and it is determined that the opportunity to make oral presentations will aid in the rulemaking process. Persons may request a public hearing by writing to the address listed above in **ADDRESSES**. The request should include reasons why a hearing would be beneficial. If it determines that the opportunity for oral presentations will aid this rulemaking, the Coast Guard will hold a public hearing at a time and place announced by a later notice in the **Federal Register**.

**Background and Purpose**

The Coast Guard proposes to create a permanent security zone around the Naval Supply Center Pier at Naval Base, San Diego. The security zone consists of the waters of San Diego Bay extending approximately 100 feet out from the north, west, and south sides of the Naval Supply Center Pier.

Currently, there is a restricted area around the Naval Supply Center Pier, 33 CFR 334.870(d). The Navy believes that this restricted area, by itself, is insufficient to adequately safeguard its vessels. The Navy has been reviewing all aspects of its anti-terrorism and force protection posture in response to the attack on the USS COLE. The creation of this security zone will safeguard vessels moored at the Naval Supply Center Pier and waterside facilities from destruction, loss, or injury from sabotage or other subversive acts, accidents, or other causes of a similar nature. The creation of this security zone will also prevent recreational and commercial craft from interfering with