

immediately after the transaction.

Accordingly, Asset 2 is also loss duplication property. But for section 362(e)(2) and this section, DC's basis in Asset 3 would be \$32, which would not exceed Asset 3's \$40 value immediately after the transaction.

Accordingly, Asset 3 is not loss duplication property.

(iii) *Basis in loss duplication property.* DC's basis in Asset 1 is \$56, computed as its \$80 basis under section 362(a) reduced by \$24, its allocable portion of FC1's \$32 net built-in loss ($\$30/40 \times \32). DC's basis in Asset 2 is \$112, computed as its \$120 basis under section 362(a) reduced by \$8, its allocable portion of FC1's \$40 net built-in loss ($\$10/40 \times \32).

(iv) *Basis in other property.* Under section 358(a), FC1 has an exchanged basis of \$232 in the DC stock it receives in the transaction.

(2) *Application of section to FC2.* FC2's transfer of Asset 3 is not a loss duplication transaction because Asset 3's value exceeds its basis immediately after the transaction. Accordingly, under section 362(a), DC's basis in Asset 3 is \$100.

* * * * *

(j) *Effective/applicability date.* * * *

The introductory text and *Example 11* of paragraph (h) of this section apply with respect to transactions occurring on or after *March 28, 2016*, and also with respect to transactions occurring before such date as a result of an entity classification election under § 301.7701-3 of this chapter filed on or after *March 28, 2016*, unless such transaction is pursuant to a binding agreement that was in effect prior to *March 28, 2016* and at all times thereafter. In addition, taxpayers may apply such provisions to any transaction occurring after October 22, 2004.

■ **Par. 12.** Section 1.368-3 is amended by revising paragraphs (a)(3) and (b)(3) and adding a sentence to the end of paragraph (e) to read as follows:

§ 1.368-3 Records to be kept and information to be filed with returns.

(a) * * *

(3) The value and basis of the assets, stock or securities of the target corporation transferred in the transaction, determined immediately before the transfer and aggregated as follows—

(i) Importation property transferred in a loss importation transaction, as defined in § 1.362-3(c)(2) and (3), respectively;

(ii) Loss duplication property as defined in § 1.362-4(g)(1);

(iii) Property with respect to which any gain or loss was recognized on the transfer (without regard to whether such property is also identified in paragraph (a)(3)(i) or (ii) of this section);

(iv) Property not described in paragraph (a)(3)(i), (ii), or (iii) of this section; and

* * * * *

(b) * * *

(3) The value and basis of all the stock or securities of the target corporation held by the significant holder that is transferred in the transaction and such holder's basis in that stock or securities, determined immediately before the transfer and aggregated as follows—

(i) Stock and securities with respect to which an election is made under section 362(e)(2)(C); and

(ii) Stock and securities not described in paragraph (b)(3)(i) of this section.

* * * * *

(e) *Effective/applicability date.* * * * Paragraphs (a)(3) and (b)(3) of this section apply with respect to reorganizations occurring on or after March 28, 2016, and also with respect to reorganizations occurring before such date as a result of an entity classification election under § 301.7701-3 of this chapter filed on or after March 28, 2016, unless such reorganization is pursuant to a binding agreement that was in effect prior to March 28, 2016 and at all times thereafter.

■ **Par. 13.** Section 1.705-1 is amended by revising paragraph (a)(9) to read as follows:

§ 1.705-1 Determination of basis of partner's interest.

(a) * * *

(9) For basis adjustments necessary to coordinate sections 705 and 362(e)(2), see § 1.362-4(e)(1).

* * * * *

■ **Par. 14.** Section 1.755-1 is amended by adding a sentence after the second sentence of paragraph (b)(1)(i) to read as follows:

§ 1.755-1 Rules for allocation of basis.

* * * * *

(b) * * *

(1) * * *

(i) *Application.* * * * For transfers subject to section 334(b)(1)(B), see § 1.334-1(b)(3)(iii)(C)(1) (treating a determination of basis under § 1.334-1(b)(3) as a determination not by reference to the transferor's basis solely for purposes of applying section 755); for transfers subject to section 362(e)(1), see § 1.362-3(b)(4)(i) (treating a determination of basis under § 1.362-3 as a determination not by reference to the transferor's basis solely for purposes of applying section 755); for transfers subject to section 362(e)(2), see § 1.362-4(c)(3)(i) (treating a determination of basis under § 1.362-4 as a determination by reference to the transferor's basis for all purposes). * * *

* * * * *

■ **Par. 15.** Section 1.1367-1 is amended by revising the last sentence of paragraph (c)(2) to read as follows:

§ 1.1367-1 Adjustments to basis of shareholder's stock in an S corporation.

* * * * *

(c) * * *

(2) *Noncapital, nondeductible expenses.* * * * For basis adjustments necessary to coordinate sections 1367 and 362(e)(2), see § 1.362-4(e)(2).

* * * * *

John M Dalrymple,

Deputy Commissioner for Services and Enforcement.

Approved: February 16, 2016.

Mark J. Mazur,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2016-06227 Filed 3-25-16; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

Tax Treatment of Cafeteria Plans

CFR Correction

In Title 26 of the Code of Federal Regulations, Part 1 (§§ 1.61 to 1.139), revised as of April 1, 2015, on page 545, § 1.125-4T is removed.

[FR Doc. 2016-07018 Filed 3-25-16; 8:45 am]

BILLING CODE 1505-01-D

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2015-0530]

Safety Zones; Annual Events Requiring Safety Zones in the Captain of the Port Lake Michigan Zone—Michigan City Summerfest Fireworks, Lake Michigan

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the Michigan City Summerfest Fireworks Safety Zone on a portion of Lake Michigan on July 4, 2016. This action is necessary and intended to ensure safety of life and property on navigable waters prior to, during, and immediately after the fireworks display. During the enforcement period listed below, the Coast Guard will enforce restrictions upon, and control movement of, vessels in the safety zone. No person or vessel may enter, transit,

or anchor in the safety zone while it is being enforced without permission of the Captain of the Port Lake Michigan or a designated representative.

DATES: The regulation in 33 CFR 165.929 will be enforced for the safety zone listed as (e)(35) in Table 165.929 on July 4, 2016 from 8:45 p.m. until 9:45 p.m.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of enforcement, call or email LT Lindsay Cook, Waterways Management Division, Marine Safety Unit Chicago, at 630-986-2155, email address Lindsay.N.Cook@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the Michigan City Summerfest listed as item (e)(35) in Table 165.929 of 33 CFR 165.929 from 8:45 p.m. until 9:45 p.m. on July 4, 2016. This action is being taken to provide for the safety of life on a navigable waterway during the fireworks display. Section 165.929 lists many annual events requiring safety zones in the Captain of the Port Lake Michigan Zone. This safety zone encompasses all waters of Michigan City Harbor and Lake Michigan within the arc of a circle with a 1,000 foot radius from the launch site located in position 41°43.700' N., 086°54.617' W. During the enforcement period, no vessel may transit this regulated area without approval from the Captain of the Port Lake Michigan (COTP) or a COTP designated representative. Vessels and persons granted permission to enter the safety zone shall obey all lawful orders or directions of the Captain of the Port Lake Michigan, or his or her on-scene representative.

This notice of enforcement is issued under authority of 33 CFR 165.929, Safety Zones; Annual events requiring safety zones in the Captain of the Port Lake Michigan zone and 5 U.S.C. 552 (a). In addition to this notification in the **Federal Register**, the Coast Guard will provide the maritime community with advance notification of this enforcement period via Broadcast Notice to Mariners or Local Notice to Mariners. The Captain of the Port Lake Michigan, or a designated on-scene representative may be contacted via Channel 16, VHF-FM.

Dated: March 18, 2016.

A.B. Cocanour,

Captain, U.S. Coast Guard, Captain of the Port Lake Michigan.

[FR Doc. 2016-06910 Filed 3-25-16; 8:45 am]

BILLING CODE 9110-04-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[EPA-HQ-OPP-2015-0031; FRL-9943-00]

Mandipropamid; Pesticide Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation increases existing tolerances for residues of mandipropamid in or on potato, wet peel, and the vegetable, tuberous and corm subgroup 1C. Syngenta Crop Protection requested these tolerances under the Federal Food, Drug, and Cosmetic Act (FFDCA).

DATES: This regulation is effective March 28, 2016. Objections and requests for hearings must be received on or before May 27, 2016, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

ADDRESSES: The docket for this action, identified by docket identification (ID) number EPA-HQ-OPP-2015-0031, is available at <http://www.regulations.gov> or at the Office of Pesticide Programs Regulatory Public Docket (OPP Docket) in the Environmental Protection Agency Docket Center (EPA/DC), West William Jefferson Clinton Bldg., Rm. 3334, 1301 Constitution Ave. NW., Washington, DC 20460-0001. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the OPP Docket is (703) 305-5805. Please review the visitor instructions and additional information about the docket available at <http://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: Susan Lewis, Registration Division (7505P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave. NW., Washington, DC 20460-0001; main telephone number: (703) 305-7090; email address: RDfRNNotices@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this action apply to me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather

provides a guide to help readers determine whether this document applies to them. Potentially affected entities may include:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

B. How can I get electronic access to other related information?

You may access a frequently updated electronic version of EPA's tolerance regulations at 40 CFR part 180 through the Government Printing Office's e-CFR site at http://www.ecfr.gov/cgi-bin/text-idx?&c=ecfr&tpl=/ecfrbrowse/Title40/40tab_02.tpl.

C. How can I file an objection or hearing request?

Under FFDCA section 408(g), 21 U.S.C. 346a, any person may file an objection to any aspect of this regulation and may also request a hearing on those objections. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA-HQ-OPP-2015-0031 in the subject line on the first page of your submission. All objections and requests for a hearing must be in writing, and must be received by the Hearing Clerk on or before May 27, 2016. Addresses for mail and hand delivery of objections and hearing requests are provided in 40 CFR 178.25(b).

In addition to filing an objection or hearing request with the Hearing Clerk as described in 40 CFR part 178, please submit a copy of the filing (excluding any Confidential Business Information (CBI)) for inclusion in the public docket. Information not marked confidential pursuant to 40 CFR part 2 may be disclosed publicly by EPA without prior notice. Submit the non-CBI copy of your objection or hearing request, identified by docket ID number EPA-HQ-OPP-2015-0031, by one of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be CBI or other information whose disclosure is restricted by statute.

- *Mail:* OPP Docket, Environmental Protection Agency Docket Center (EPA/DC), (28221T), 1200 Pennsylvania Ave. NW., Washington, DC 20460-0001.