United States property held by FC ($120x) over the earnings and profits described in section 959(c)(1)(A) with respect to USP ($100x), and its pro rata share of FC's applicable earnings ($100x). Under paragraph (a)(2)(i) of this section, USP's section 956 amount with respect to FC is its aggregate tentative section 956 amount with respect to FC reduced by the deduction under section 245A that USP would be allowed if USP received an amount equal to its aggregate tentative section 956 amount as a distribution with respect to the FC stock. USP would be allowed a $20x deduction under section 245A with respect to the foreign-source portion of the $20x hypothetical distribution, which, under paragraph (a)(2)(ii)(C) of this section, is treated as attributable to the earnings and profits of FC described in section 959(c)(3) despite the fact that FC has $100x of earnings and profits described in section 959(c)(1)(A) that would otherwise be distributed before earnings and profits described in section 959(c)(3). Accordingly, USP's section 956 amount with respect to FC is $0, its aggregate tentative section 956 amount ($20x) with respect to FC reduced by the amount of the deduction that USP would have been allowed under section 245A with respect to the hypothetical distribution after applying the rule in paragraph (a)(2)(ii)(C) of this section ($20x).

(iv) *Example 4*—(A) *Facts.* The facts are the same as in paragraph (a)(3)(i)(A) of this section (the facts in *Example 1*), except that USP is a domestic partnership in which USC1 and USC2, each a domestic corporation, and USI, a United States citizen, have owned 50%, 30%, and 20%, respectively, of the capital and profits interests for five years.

(B) *Analysis.* As in paragraph (a)(3)(i)(B) of this section (the analysis in *Example 1*), USP's aggregate tentative section 956 amount with respect to FC is $100x. Under paragraph (a)(2)(i) of this section, USP's section 956 amount with respect to FC is its aggregate tentative section 956 amount with respect to FC reduced by the aggregate amount of deductions under section 245A that USC1, USC2, and USI would be allowed if USP received an amount equal to its aggregate tentative section 956 amount as a distribution with respect to the FC stock. Assuming that, under section 245A, USC1 and USC2 would be allowed a $45x deduction and a $27x deduction, respectively, with respect to the foreign-source portion of their $50x and $30x distributive shares of the $100x hypothetical distribution (that is, an amount of the dividend that bears the same ratio to the dividend as the $90x of undistributed foreign earnings bears to the $100x of undistributed earnings), USP's section 956 amount with respect to FC is $28x, its aggregate tentative section 956 amount ($100x) with respect to FC reduced by the aggregate amount of the deductions that its partners would have been allowed under section 245A with respect to the hypothetical distribution ($72x ($45x + $27x)). Under paragraph (a)(2)(iii) of this section, the portion of its $28x inclusion under section 951(a)(1)(B) with respect to FC that is allocated to USC1 is $5x ($28x x (($50x − $45x)/($50x − $45x + $30x − $27x + $20x))); the portion that is allocated to USC2 is $3x ($28x x (($30x − $27x) / ($50x − $45x + $30x − $27x + $20x))); and the portion that is allocated to USI is $20x ($28x x ($20x / ($50x − $45x + $30x − $27x + $20x))).

(v) *Example 5*—(A) *Facts.* (*1*) USP, a domestic corporation, owns all of the single class of stock of FC1, a foreign corporation, and has held such stock for five years. FC1 has held 70% of the single class of stock of FC2, a foreign corporation, for three years. The other 30% of the FC2 stock has been held since FC2's formation by a foreign individual unrelated to USP or FC1. Any dividend from FC2 or FC1 to FC1 or USP, respectively, would not constitute a hybrid dividend for purposes of section 245A(e). FC2 has a calendar taxable year. On December 1, Year 1, FC1 acquires the remaining 30% of the stock of FC2 for cash. On June 30, Year 2, FC1 sells to a third party the 30% of FC2 stock acquired in Year 1 at no gain. FC2 made no distributions during Year 1.

(*2*) The functional currency of FC1 and FC2 is the U.S. dollar. For Year 1, FC2 has $120x of undistributed earnings as defined in section 245A(c)(2), all of which constitute undistributed foreign earnings. None of the earnings and profits of FC2 are described in section 959(c)(1) or (2) or are earnings and profits attributable to income excluded from subpart F income under section 952(b). FC2's applicable earnings (as defined in section 956(b)(1)) for Year 1 are $120x. FC2 has held an obligation of USP with an adjusted basis of $100x on every day of Year 1 that was acquired while USP owned all of the stock of FC1 and FC1 held 70% of the single class of stock of FC2.

(B) *Analysis.* Because USP indirectly owns (within the meaning of section 958(a)) all of the stock of FC2 at the end of Year 1, USP's aggregate tentative section 956 amount with respect to FC2 for Year 1 is $100x, the lesser of USP's pro rata share of the average amounts of United States property held by FC2 ($100x) and its pro rata share of FC2's applicable earnings ($120x). Under paragraph (a)(2)(i) of this section, USP's section 956 amount with respect to FC2 for Year 1 is its aggregate tentative section 956 amount with respect to FC2 reduced by the deduction under section 245A that USP would be allowed if USP received an amount equal to its aggregate tentative section 956 amount as a distribution with respect to the FC2 stock that USP owns indirectly within the meaning of section 958(a)(2). For purposes of determining the consequences of this hypothetical distribution, under paragraph (a)(2)(ii)(A)(*1*) of this section, USP is treated as owning the FC2 stock directly. In addition, under paragraph (a)(2)(ii)(A)(*4*) of this section, the holding period requirement of section 246(c) is applied by reference to the period during which USP owned (within the meaning of section 958(a)) the stock of FC2. Therefore, with respect to the hypothetical distribution from FC2 to USP, USP would satisfy the holding period requirement under section 246(c) with respect to the 70% of the FC2 stock that USP indirectly owned for three years through FC1, but not with respect to the 30% of the FC2 stock that USP indirectly owned through FC1 for a period of less than 365 days. Accordingly, USP's section 956 amount with respect to FC2 for Year 1 is $30x, its aggregate tentative section 956 amount ($100x) reduced by the amount of the deduction that USP would have been allowed under section 245A with respect to the hypothetical distribution ($70x).

* * * * *

(g) *Applicability dates.** * *

(4) Paragraphs (a)(2) and (3) of this section apply to taxable years of controlled foreign corporations beginning on or after July 22, 2019, and to taxable years of a United States shareholder in which or with which such taxable years of the controlled foreign corporations end. Notwithstanding the preceding sentence, a United States shareholder may apply paragraphs (a)(2) and (3) of this section to taxable years of controlled foreign corporations beginning after December 31, 2017, and to taxable years of the United States shareholder in which or with which such taxable years of the controlled foreign corporations end, provided that the United States shareholder and United States persons that are related (within the meaning of section 267 or 707) to the United States shareholder consistently apply those paragraphs with respect to all controlled foreign corporations in which they are United States shareholders for taxable years of the controlled foreign corporations beginning after December 31, 2017.

(5) Paragraph (e)(6) of this section applies to property acquired in exchanges occurring on or after June 24, 2011.

Kirsten Wielobob,

Deputy Commissioner for Services and Enforcement.

Approved: May 9, 2019.

David J. Kautter,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2019–10749 Filed 5–22–19; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2019–0240]

Recurring Safety Zone; Chester Fireworks, Chester, WV

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the temporary safety zone for the

Chester Volunteer Fire Department Fireworks, to provide for the safety of persons, vessels, and the marine environment on the navigable waters of the Ohio River during this event. Our regulation for marine events within the Eighth Coast Guard District identifies the regulated area for this event in Chester, WV. During the enforcement period, entry into this zone is prohibited unless authorized by the Captain of the Port Marine Safety Unit Pittsburgh or a designated representative.

DATES: The regulations in 33 CFR 165.801, Table 1, Line 38, will be enforced from 9:30 p.m. through 11 p.m. on July 4, 2019.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of enforcement, call or email Petty Officer Jennifer Haggins, Marine Safety Unit Pittsburgh, U.S. Coast Guard; telephone 412–221–0807, email *Jennifer.L.Haggins@uscg.mil.*

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce a temporary safety zone for the Chester Volunteer Fire Department Fireworks, in 33 CFR 165.801, Table 1, Line 38 from 9:30 p.m. through 11:00 p.m. on July 4, 2019. This action is being taken to provide for the safety of persons, vessels, and the marine environment on the navigable waters of the Ohio River during this event. Our regulation for marine events within the Eighth Coast Guard District, § 165.801, specifies the location of the safety zone for the Chester Volunteer Fire Department Fireworks, which covers a one mile stretch of the Ohio River. Entry into the safety zone is prohibited unless authorized by the Captain of the Port Marine Safety Unit Pittsburgh (COTP) or a designated representative. Persons or vessels desiring to enter into or pass through the area must request permission from the COTP or a designated representative. They can be reached on VHF FM channel 16. If permission is granted, all persons and vessel shall comply with the instructions of the COTP or designated representative.

In addition to this notice of enforcement in the **Federal Register**, the COTP or a designated representative will inform the public through Broadcast Notices to Mariners (BNMs), Local Notices to Mariners (LNMs), Marine Safety Information Bulletins (MSIBs), and/or through other means of public notice as appropriate at least 24 hours in advance of enforcement.

Dated: May 13, 2019.

A.W. Demo,

Commander, U.S. Coast Guard, Captain of the Port Marine Safety Unit Pittsburgh.

[FR Doc. 2019–10763 Filed 5–22–19; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2019–0239]

Recurring Safety Zone; PUSH Beaver County, Beaver, PA

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the annual safety zone for the PUSH Beaver County Fireworks, to provide for the safety of persons, vessels, and the marine environment on the navigable waters of Ohio River during this event. Our regulation for marine events within the Eighth Coast Guard District identifies the regulated area for this event in Beaver, PA. During the enforcement period, entry into this zone is prohibited unless authorized by the Captain of the Port Marine Safety Unit Pittsburgh or a designated representative.

DATES: The regulations in 33 CFR 165.801, Table 1, Line 20 will be enforced from 8 p.m. through 10:30 p.m. on June 22, 2019, unless the firework display is postponed because of adverse weather, in which case, this rule will be enforced on June 23, 2019.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of enforcement, call or email Petty Officer Jennifer Haggins, Marine Safety Unit Pittsburgh, U.S. Coast Guard; telephone 412–221–0807, email *Jennifer.L.Haggins@uscg.mil.*

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the annual safety zone on the Ohio River for the PUSH Beaver County, in 33 CFR 165.801, Table 1, Line 20 from 8:00 p.m. through 10:30 p.m. on June 22, 2019, unless the firework display is postponed because of adverse weather, in which case, this rule will be enforced on June 23, 2019. This action is being taken to provide for the safety of persons, vessels, and the marine environment on the navigable waters of the Ohio River during this event. Our regulation for marine events within the Eighth Coast Guard District, § 165.801, Table 1, Line 20, specifies the location of the safety zone for the PUSH Beaver County, which covers a one half mile stretch of the Ohio River. Entry into the safety zone is prohibited unless authorized by the Captain of the Port Marine Safety Unit Pittsburgh (COTP) or a designated representative. Persons or vessels desiring to enter into or pass through the area must request permission from the COTP or a designated representative. They can be reached on VHF FM channel 16. If permission is granted, all persons and vessel shall comply with the instructions of the COTP or designated representative.

In addition to this notice of enforcement in the **Federal Register**, the COTP or a designated representative will inform the public through Broadcast Notices to Mariners (BNMs), Local Notices to Mariners (LNMs), Marine Safety Information Bulletins (MSIBs), and/or through other means of public notice as appropriate at least 24 hours in advance of enforcement.

Dated: May 20, 2019.

A.W. Demo,

Commander, U.S. Coast Guard, Captain of the Port Marine Safety Unit Pittsburgh.

[FR Doc. 2019–10771 Filed 5–22–19; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2019–0229]

Recurring Safety Zone; Wheeling Annual Dragon Boat Race, Wheeling, WV

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the safety zone for the Wheeling Annual Dragon Boat Race to provide for the safety of persons, vessels, and the marine environment on the navigable waters of the Ohio River during this event. Our regulation for marine events within the Eighth Coast Guard District identifies the regulated area for this event in Wheeling, WV. During the enforcement periods, entry into this zone is prohibited unless authorized by the Captain of the Port Marine Safety Unit Pittsburgh or a designated representative.

DATES: The regulations in 33 CFR 165.801, Table 1, Line 70, will be