

annually for inflation. These regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector, in excess of that threshold.

VI. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These regulations do not have federalism implications, do not impose substantial direct compliance costs on State and local governments, and do not preempt State law within the meaning of the Executive order.

VII. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rule as not a major rule, as defined by 5 U.S.C. 804(2).

Drafting Information

The principal author of these regulations is William W. Burhop of the Office of Associate Chief Counsel (Corporate). However, other personnel from the Treasury Department and the IRS 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, the Treasury Department and the IRS amend 26 CFR part 1 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 1.1502–80 is amended by:

- 1. Revising paragraph (d)(1);
- 2. Revising the heading of paragraph (d)(2); and
- 3. Adding paragraphs (d)(3) and (4).

The revisions and additions read as follows:

§ 1.1502–80 Applicability of other provisions of law.

* * * * *

(d) * * *

(1) *In general*—(i) *General rule.* Section 357(c) does not apply to any

transaction to which § 1.1502–13 applies. Notwithstanding the foregoing, for purposes of determining the transferor's basis in property under section 358(a) received in a transfer described in section 351, section 358(d)(2) operates to exclude liabilities described in section 357(c)(3)(A), other than those also described in section 357(c)(3)(B), from the computation of the amount of liabilities assumed that is treated as money received under section 358(d)(1).

(ii) *Application.* This paragraph (d) does not apply to a transaction if the transferor or transferee becomes a nonmember as part of the same plan or arrangement. The transferor (or transferee) is treated as becoming a nonmember once it is no longer a member of a consolidated group that includes the transferee (or transferor). For purposes of this paragraph (d), any reference to a transferor or transferee includes, as the context may require, a reference to a successor or predecessor.

(2) *Tax years beginning before January 1, 1995.* * * *

(3) *Example*—(i) *Facts.* P owns all the stock of S1. S1 has assets with a total fair market value equal to \$100 and an aggregate basis of \$30. S1 has \$40 of liabilities, \$5 of which are described in section 357(c)(3)(A) but not section 357(c)(3)(B), and \$35 of which are not described in section 357(c)(3)(A). S1 transfers its assets to a newly formed subsidiary, S2, in exchange for stock of S2 and S2's assumption of the \$40 of liabilities in a transaction to which section 351 applies. P, S1, and S2 are members of a consolidated group.

(ii) *Analysis.* Section 357(c) does not apply to cause S1 to recognize gain in connection with the transfer. For purposes of determining S1's basis in the S2 stock it received in the exchange, section 358(d)(2) operates to exclude \$5 of the liabilities from the computation of the amount of liabilities assumed that are treated as money received under section 358(d)(1). S1's basis in the S2 stock received in the exchange is a \$5 excess loss account (reflecting its \$30 basis in the assets transferred reduced by \$35, the amount of liabilities assumed that are not described in section 357(c)(3)(A)).

(4) *Applicability dates.* Paragraphs (d)(1) and (3) of this section apply to transactions occurring in consolidated return years for which the due date of the return (without regard to extensions) is after October 16, 2026. For rules that apply to transactions occurring in earlier taxable years, *see* § 1.1502–80(d)

as contained in 26 CFR part 1, revised April 1, 2026.

* * * * *

Frank J. Bisignano,

Chief Executive Officer.

Approved: September 16, 2026.

Kevin Salinger,

Acting Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2026–21253 Filed 10–15–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG–2026–1210]

RIN 1625–AA08

Special Local Regulation; Lake Havasu, Lake Havasu City, AZ

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary special local regulation (SLR) for certain navigable waters of Lake Havasu. This action is necessary to provide for the safety of life on these navigable waters near Lake Havasu City, AZ during the Pineapple Races event beginning at 3 p.m. on October 20, 2026, and ending the evening of October 20, 2026, at 8 p.m. This regulation prohibits persons and vessels from entering the regulated area unless specifically authorized by the Captain of the Port San Diego or their designated representative.

DATES: This rule is effective from 3 p.m. through 8 p.m. on October 20, 2026.

ADDRESSES: To view available documents go to <https://www.regulations.gov> and search for USCG–2026–1210.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact Lieutenant Skye Eastman, Sector San Diego Waterways Management Division, U.S. Coast Guard; telephone 619–454–9027, or email MarineEventsSD@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
 COTP Captain of the Port
 DHS Department of Homeland Security
 FR Federal Register
 NPRM Notice of proposed rulemaking
 § Section
 SLR Special Local Regulation

U.S.C. United States Code

II. Background and Authority

The Coast Guard received a request under 33 CFR 100.15 from the Lake Havasu Chamber of Commerce for a Marine Event Permit to host canoe races. The event will be held from 3 p.m. to 8 p.m. on October 20, 2026, in Lake Havasu City, AZ. The canoe races will include approximately 175 participants.

The Captain of the Port San Diego (COTP) is issuing this Special Local Regulation (SLR) under the authority in 46 U.S.C. 70041. The COTP has determined that potential hazards associated with the Pineapple Races include the obstruction of the navigable channel due to the event's location and duration, as well as the high number of participants and canoes involved. The event will require partial closure of the Bridgewater Channel to vessel traffic in both directions during race operations, with designated cross times in between races to allow limited vessel passage. These conditions present increased risks of collision, congestion, and interference with the normal flow of marine traffic. The purpose of this rulemaking is to ensure the safety of event participants, non-participating mariners, and transiting vessels before, during, and after the scheduled event.

Because of these potential hazards, the Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable and contrary to the public interest. The Coast Guard was not notified of this event with sufficient time to solicit comments before this SLR must be established on October 20, 2026, to protect personnel, vessels, and the marine environment. Therefore, we do not have enough time to solicit and respond to comments.

For the same reasons, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a temporary SLR from 3 p.m. until 8 p.m. on October 20, 2026. The special local regulation will cover all navigable waters within 100 yards of the canoe races. No vessel or person will be permitted to enter the regulated area without obtaining permission from the COTP or their designated representative.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The regulatory flexibility analysis provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to rules that are not subject to notice and comment. Because the Coast Guard has, for good cause, waived the notice and comment requirement that would otherwise apply to this rulemaking, the Regulatory Flexibility Act's flexibility analysis provisions do not apply here.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), if this rule will affect your small business, organization, or governmental jurisdiction and you have questions, contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

This rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Governments

We have analyzed this rule under Executive Order 13132, Federalism, and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in that Order.

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies

that this rule will not result in an annual expenditure of \$100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment.

This rule is a special local regulation. It is categorically excluded from further review under paragraph L61 of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1.

List of Subjects in 33 CFR Part 100

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

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR Part 100 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

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

Authority: 46 U.S.C. 70041; 33 CFR 1.05–1.

■ 2. Add § 100.T1199–0144 to read as follows:

§ 100.T1199–0144 Special Local Regulation; Lake Havasu, Lake Havasu City, AZ.

(a) *Location.* This special local regulation applies to the following regulated area: All waters of Lake Havasu, from surface to bottom, encompassed by a line connecting the following points beginning at 34°27'53.28" N, 114°20'53.24" W, thence to 34°27'53.06" N, 114°20'48.61" W, thence to 34°28'05.76" N, 114°20'53.28" W, thence to 34°28'05.86" N, 114°20'52.12" W. These coordinates are based on the World Geodetic System (WGS 84)/North American Datum 83 (NAD 83).

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a

Federal, State, and local officer designated by or assisting the Captain of the Port Sector San Diego (COTP) in the enforcement of the regulated area. *Participant* means all persons and vessels registered with the event sponsor as a participant in the race.

(c) *Regulations.* (1) All non-participants are prohibited from entering, transiting through, anchoring in, or remaining within the regulated area described in paragraph (a) of this section unless authorized by the COTP or their designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative on VHF-FM channel 16 or by telephone at (619) 454-9027. Those in the regulated area must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement period.* This section will be enforced from 3 p.m. to 8 p.m. on October 20, 2026.

R.C. Tucker,

Captain, U.S. Coast Guard, Captain of the Port Sector San Diego.

[FR Doc. 2026-21157 Filed 10-15-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG-2026-1000]

Special Local Regulations; Annual Marine Events on the Colorado River, Between Davis Dam (Bullhead City, Arizona) and Headgate Dam (Parker, Arizona), Blue Water Resort and Casino Parker Enduro and NWSRA Water Ski Races, Colorado River, Parker, AZ

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce special local regulations for the Blue Water Resort and Casino Parker Enduro and NWSRA Water Ski Races from October 23 through 25, 2026, to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the Southwest Coast Guard District identifies the regulated area for this event in Parker, AZ. During the enforcement periods, the operator of any vessel in the regulated area must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign.

DATES: The regulation in 33 CFR 100.1102, Table 1 to § 100.1102, Item No. 18, will be enforced from 6 a.m. to 6 p.m. on October 23, 2026, to October 25, 2026.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notification of enforcement, call or email Lieutenant Skye Eastman, Waterways Management, U.S. Coast Guard Sector San Diego, CA; telephone (619) 454-9027, email D11MarineEventsSD@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce special local regulations in 33 CFR 100.1102 for the Blue Water Resort and Casino Parker Enduro and NWSRA Water Ski Races regulated area from 6 a.m. to 6 p.m. on October 23, 2026, to October 25, 2026. This action is being taken to provide for the safety of life on navigable waterways during this event. Our regulation for Annual Marine Events on the Colorado River, between Davis Dam (Bullhead City, Arizona) and Headgate Dam (Parker, Arizona), § 100.1102, specifies the location of the regulated area for the Blue Water Resort and Casino Parker Enduro and NWSRA Water Ski Races which is between river miles 179 and 185. During the enforcement periods, as reflected in § 100.100(c), if you are the operator of a vessel in the regulated area you must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign.

In addition to this notice of enforcement in the **Federal Register**, the Coast Guard plans to provide notification of this enforcement period via the Local Notice to Mariners.

R.C. Tucker,

Captain, U.S. Coast Guard, Captain of the Port San Diego.

[FR Doc. 2026-21160 Filed 10-15-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG-2026-1213]

RIN 1625-AA08

Special Local Regulation; Lake Havasu, Lake Havasu City, AZ

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary special local

regulation (SLR) for certain navigable waters of Lake Havasu. This action is necessary to provide for the safety of life on these navigable waters near Lake Havasu City, AZ during the 2026 Lake Havasu Witch Paddle event beginning at 8 a.m. on October 25, 2026, and ending the evening of October 25, 2026, at 2 p.m. This regulation prohibits persons and vessels from entering the regulated area unless specifically authorized by the Captain of the Port San Diego or their designated representative.

DATES: This rule is effective from 8 a.m. through 2 p.m. on October 25, 2026.

ADDRESSES: To view available documents go to <https://www.regulations.gov> and search for USCG-2026-1213.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact Lieutenant Skye Eastman, Sector San Diego Waterways Management Division, U.S. Coast Guard; telephone 619-454-9027, or email MarineEventsSD@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
SLR Special Local Regulation
U.S.C. United States Code

II. Background and Authority

The Coast Guard received a request under 33 CFR 100.15 from the Lake Havasu Witch Paddle & Southwest Outfitters for a Marine Event Permit to host the paddle. The event will be held from 8 a.m. to 2 p.m. on October 25, 2026, in Lake Havasu City, AZ. The paddle will include approximately 2000 participants.

The Captain of the Port San Diego (COTP) is issuing this Special Local Regulation (SLR) under the authority in 46 U.S.C. 70041. The COTP has determined that potential hazards associated with the 2026 Lake Havasu Witch Paddle include the obstruction of the navigable channel due to the event's location and duration, as well as the high number of participants involved. The event will require partial closure of the Bridgewater Channel to vessel traffic in both directions during the event. These conditions present increased risks of collision, congestion, and interference with the normal flow of marine traffic. The purpose of this rulemaking is to ensure the safety of event participants, non-participating mariners, and transiting vessels before, during, and after the scheduled event.