

scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

#### Drafting Information

The principal author of these regulations is Robin Ehrenberg, Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations). 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.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended 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 1.513-7 is added to read as follows:

#### § 1.513-7 Travel and tour activities of tax exempt organizations.

(a) Travel tour activities that constitute a trade or business, as defined in § 1.513-1(b), and that are not substantially related to the purposes for which exemption has been granted to the organization constitute an unrelated trade or business with respect to that organization. Whether travel tour activities conducted by an organization are substantially related to the organization's exempt purpose is determined by looking at all relevant facts and circumstances. Section 513(c) and § 1.513-1(b) also apply to travel tour activity. Application of the rules of section 513(c) and § 1.513-1(b) may result in different treatment for individual tours within an organization's travel tour program.

(b) *Examples.* The provisions of this section are illustrated by the following examples:

*Example 1.* O, a university alumni association, is exempt from federal income tax under section 501(a) as an educational organization described in section 501(c)(3). As part of its activities, O operates a travel tour program. The program is open to all current members of O and their guests. O works with travel agencies to schedule approximately 10 tours annually to various destinations around the world. Members of O pay \$X to the organizing travel agency to participate in a tour. The travel agency pays O a per person fee for each participant. Although the literature advertising the tours encourages O's members to continue their

lifelong learning by joining the tours, and a faculty member of O's related university is invited to join the tour as a guest of the alumni association, none of the tours includes any scheduled instruction or curriculum related to the destinations being visited. By arranging to make travel tours available to its members, O is not contributing importantly to the accomplishment of its educational purpose. Rather, O's program is designed to generate revenues for O by regularly offering its members travel services. Accordingly, O's tour program is an unrelated trade or business within the meaning of section 513(a) of the Code.

*Example 2.* N is an organization formed for the purpose of educating individuals about the geography and culture of the United States. It is exempt from federal income tax under section 501(a) as an educational and cultural organization described in section 501(c)(3). N engages in a number of activities to accomplish its purposes, including offering courses and publishing periodicals and books. As one of its activities, N conducts study tours to national parks and other locations within the United States. The study tours are conducted by teachers and other education professionals. The tours are open to all who agree to participate in the required study program. The study program consists of community college level courses related to the location being visited by the tour. While the students are on the tour, five or six hours per day are devoted to organized study, preparation of reports, lectures, instruction and recitation by the students. Each tour group brings along a library of material related to the subject being studied on the tour. Examinations are given at the end of each tour and N's state board of education awards academic credit for tour participation. Because the tours offered by N include a substantial amount of required study, lectures, report preparation, examinations and qualify for academic credit, the tours clearly further N's educational purpose. Accordingly, N's tour program is not an unrelated trade or business within the meaning of section 513(a) of the Code.

*Example 3.* R is a section 501(c)(4) social welfare organization devoted to advocacy on a particular issue. On a regular basis throughout the year, R organizes a travel tour for its members to Washington, D.C. The tours are priced to produce a profit for R. While in Washington, the members follow a schedule according to which they spend substantially all of their time over several days attending meetings with legislators and government officials and receiving briefings on policy developments related to the issue that is R's focus. Bringing members to Washington to participate in advocacy on behalf of the organization and learn about developments relating to the organization's principal focus is substantially related to R's social welfare purpose. Therefore, R's operation of the travel tours does not constitute an unrelated trade or business.

*Example 4.* S is a membership organization formed to foster cultural unity and to educate X Americans about X, their country of origin. It is exempt from federal income tax under

section 501(a) and is described in section 501(c)(3) as an educational and cultural organization. Membership in S is open to all Americans interested in the X heritage. As part of its activities, S sponsors a program of travel tours to X. All of S's tours are priced to produce a profit for S. The tours are divided into two categories. Category A tours are trips to X that are designed to immerse participants in the X history, culture and language. The itinerary is designed to have participants spend substantially all of their time while in X receiving instruction on the X language, history and cultural heritage. Destinations are selected because of their historical or cultural significance or because of instructional resources they offer. Category B tours are also trips to X, but rather than offering scheduled instruction, participants are given the option of taking guided tours of various X locations included in their itinerary. Other than the optional guided tours, Category B tours offer no instruction or curriculum. Even if participants take all of the tours offered, they have a substantial amount of time free to pursue their own interests once in X. Destinations of principally recreational interest, rather than historical or cultural interest, are regularly included on Category B tour itineraries. Based on the facts and circumstances, sponsoring Category A tours is an activity substantially related to S's exempt purposes, and does not constitute an unrelated trade or business with respect to S. However, sponsoring Category B tours does not contribute importantly to S's accomplishment of its exempt purposes and is designed to generate a profit for S. Therefore, sponsoring the Category B tours constitutes an unrelated trade or business with respect to S.

**Michael P. Dolan,**

*Deputy Commissioner of Internal Revenue.*  
[FR Doc. 98-10747 Filed 4-20-98; 2:48 pm]

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#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 62

[NE 052-1052b; FRL-6002-3]

#### Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Nebraska; Control of Landfill Gas Emissions From Existing Municipal Solid Waste Landfills

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The EPA proposes to approve the Nebraska state 111(d) plan for controlling landfill gas emissions from existing municipal solid waste (MSW) landfills. The plan was submitted to fulfill the requirements of the Clean Air Act. The state plan establishes emission limits for existing MSW landfills, and

provides for the implementation and enforcement of those limits.

In the final rules section of the **Federal Register**, the EPA is approving the state's submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial action and anticipates no relevant adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no relevant adverse comments are received in response to this proposed rule, no further activity is contemplated and the direct final rule will become effective. If the EPA receives relevant adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

**DATES:** Comments on this proposed rule must be received in writing by May 26, 1998.

**ADDRESSES:** Comments may be mailed to Wayne Kaiser, Environmental Protection Agency, Air Planning and Development Branch, 726 Minnesota Avenue, Kansas City, Kansas 66101.

**FOR FURTHER INFORMATION CONTACT:** Wayne Kaiser at (913) 551-7603.

**SUPPLEMENTARY INFORMATION:** See the information provided in the direct final rule which is located in the rules section of the **Federal Register**.

Dated: April 9, 1998.

**Dennis Grams, P.E.,**

*Regional Administrator, Region VII.*

[FR Doc. 98-10856 Filed 4-22-98; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 62

[IA 051-1051b; FRL-6002-7]

#### Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Iowa; Control of Landfill Gas Emissions From Existing Municipal Solid Waste Landfills

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The EPA proposes to approve the Iowa state 111(d) plan for controlling landfill gas emissions from existing municipal solid waste (MSW) landfills. The plan was submitted to fulfill the requirements of the Clean Air Act. The state plan establishes emission

limits for existing MSW landfills, and provides for the implementation and enforcement of those limits.

In the final rules section of the **Federal Register**, the EPA is approving the state's submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial action and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no further activity is contemplated and the direct final rule will become effective. If the EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

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**FOR FURTHER INFORMATION CONTACT:** Wayne Kaiser at (913) 551-7603.

**SUPPLEMENTARY INFORMATION:** See the information provided in the direct final rule which is located in the rules section of the **Federal Register**.

Dated: April 9, 1998.

**Dennis Grams, P.E.,**

*Regional Administrator, Region VII.*

[FR Doc. 98-10854 Filed 4-22-98; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 88

[FRL-5994-6]

RIN 2060-AH56

#### Clean Fuel Fleet Program

**AGENCY:** Environmental Protection Agency.

**ACTION:** Notice of proposed rulemaking; delay of implementation date.

**SUMMARY:** The provisions of subpart C of Title II of the Clean Air Act require states with certain ozone and carbon monoxide (CO) nonattainment areas to revise their State Implementation Plans (SIP) to incorporate a Clean Fuel Fleet Program. Under this program, specified

percentages of new vehicles acquired by covered fleet operators in certain ozone and CO nonattainment areas must meet EPA's clean-fuel vehicle (CFV) emissions standards. In this action, EPA proposes to delay by one model year, the requirement that a covered area's State Implementation Plan implement a Clean Fuel Fleet Program (CFFP) fleet operator purchase requirement. As a result, EPA would approve a CFFP SIP revision which provides that covered fleet operators must include a certain percentage of CFVs in their fleet vehicle purchases each year beginning with model year 1999. This proposal is intended to ensure successful implementation of the CFFP, and to ensure that an adequate supply of appropriate vehicles is available for fleet operators to purchase and use once the program is underway, so that compliance with the mandatory purchase requirements will be possible and economically feasible for covered fleet operators.

**DATES:** Written comments on this proposal must be received no later than May 26, 1998.

**ADDRESSES:** Interested parties may submit written comments in response to this rule (in duplicate if possible) to Public Docket No. A-97-53. It is requested that a duplicate copy may be submitted to Sally Newstead at the address in the **FOR FURTHER INFORMATION CONTACT** section below. The docket is located at the Air Docket, Room M-1500 (6102), Waterside Mall SW, Washington, DC 20460. The docket may be inspected between 8:00 a.m. and 5:30 p.m. on weekdays, excluding holidays. A reasonable fee may be charged for copying docket material.

**FOR FURTHER INFORMATION CONTACT:** Sally Newstead, Office of Mobile Sources, National Vehicle and Fuel Emissions Laboratory, 2565 Plymouth Road, Ann Arbor, Michigan, 48105. Telephone (734) 668-4474.

**SUPPLEMENTARY INFORMATION:**

#### Statutory Authority

The statutory authority for this action is provided by sections 246 and 301 of the Clean Air Act.

#### Background

In the Rules and Regulations section of this **Federal Register**, EPA is adopting this provision as a direct final rule without prior proposal because the Agency views this as a noncontroversial action and anticipates no adverse comments. A detailed rationale for this action is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no