

inclusion with respect to a residual interest held by" the taxpayer), the amount shall be taken into account for purposes of sections 871(a), 881, 1441, and 1442 at the same time as the time prescribed for other income of the shareholder, participant, or patron from the trust, company, fund, or organization.

■ **Par. 7.** Section 1.863-0 table of contents is amended as follows:

■ 1. The entries for § 1.863-1(e) are revised.

■ 2. Entries for § 1.863-1T are added.

The revisions and additions read as follows:

§ 1.863-0 Table of contents.

* * * * *

§ 1.863-1 Allocation of gross income under section 863(a).

* * * * *

(e) Residual interest in a REMIC.

(1) REMIC inducement fees.

(2) Excess inclusion income and net losses.

* * * * *

§ 1.863-1T Allocation of gross income under section 863(a).

(a) through (d) [Reserved].

(e) Residual interest in a REMIC.

(1) REMIC inducement fees.

(2) Excess inclusion income and net losses.

(f) Effective date.

■ **Par. 8.** Section 1.863-1 is amended as follows:

■ 1. The paragraph heading for paragraph (e) is revised.

■ 2. The text of paragraph (e) is redesignated as (e)(1).

■ 3. A new paragraph heading for paragraph (e)(1) is added.

■ 4. A new paragraph (e)(2) is added.

■ 5. The last sentence of paragraph (f) is revised and a new sentence is added to the end.

The revisions and additions read as follows:

§ 1.863-1 Allocation of gross income under section 863(a).

* * * * *

(e) *Residual interest in a REMIC—(1) REMIC inducement fees.* * * *

(2) *Excess inclusion income and net losses.* [Reserved]. For further guidance, see § 1.863-1T(e)(2).

(f) * * * Paragraph (e)(1) of this section is applicable for taxable years ending on or after May 11, 2004. For further guidance, see § 1.863-1T(f).

■ **Par. 9.** Section 1.863-1T is added to read as follows:

§ 1.863-1T Allocation of gross income under section 863(a) (temporary).

(a) through (d) [Reserved]. For further guidance, see § 1.863-1(a) through (d).

(e) *Residual interest in a REMIC—(1) REMIC inducement fees.* [Reserved]. For further guidance, see § 1.863-1(e)(1).

(2) *Excess inclusion income and net losses.* An excess inclusion (as defined in section 860E(c)) shall be treated as income from sources within the United States. To the extent of excess inclusion income previously taken into account with respect to a residual interest (reduced by net losses previously taken into account under this paragraph), a net loss (described in section 860C(b)(2)) with respect to the residual interest shall be allocated to the class of gross income and apportioned to the statutory grouping(s) or residual grouping of gross income to which the excess inclusion income was assigned.

(f) *Effective date.* Paragraph (e)(2) of this section applies for taxable years ending after August 1, 2006. For further guidance, see § 1.863-1(f). This section will expire July 31, 2009.

■ **Par. 10.** Section 1.1441-0 is amended by adding entries for §§ 1.1441-2(b)(5), 1.1441-2(d)(4), and 1.1441-2T to read as follows:

§ 1.1441-0 Outline of regulation provisions for section 1441.

* * * * *

§ 1.1441-2 Amounts subject to withholding.

* * * * *

(b) * * *

(5) REMIC residual interests.

* * * * *

(d) * * *

(4) Withholding exemption inapplicable.

* * * * *

§ 1.1441-2T Amounts subject to withholding.

(a) through (b)(4) [Reserved].

(5) REMIC residual interests.

(c) through (d)(3) [Reserved].

(d)(4) Withholding exemption inapplicable.

(e) [Reserved]

(f) Effective date.

* * * * *

■ **Par. 11.** Section 1.1441-2 is amended by adding paragraphs (b)(5) and (d)(4), and a sentence to the end of paragraph (f), to read as follows:

§ 1.1441-2 Amounts subject to withholding.

* * * * *

(b) * * *

(5) *REMIC residual interest.*

[Reserved]. For further guidance, see § 1.1441-2T(b)(5).

* * * * *

(d) * * *

(4) *Withholding exemption inapplicable.* For further guidance, see § 1.1441-2T(d)(4).

* * * * *

(f) * * * For further guidance, see § 1.1441-2T(f).

■ **Par. 12.** Section 1.1441-2T is added to read as follows:

§ 1.1441-2T Amounts subject to withholding (temporary).

(a) through (b)(4) [Reserved]. For further guidance, see § 1.1441-2(a) through (b)(4).

(5) *REMIC residual interests.* Amounts subject to withholding include an excess inclusion described in § 1.860G-3T(b)(2) and the portion of an amount described in § 1.860G-3T(b)(1) that is an excess inclusion.

(c) through (d)(3) [Reserved]. For further guidance, see § 1.1441-2 (c) through (d)(3).

(4) *Withholding exemption inapplicable.* The exemption in § 1.1441-2(d) from the obligation to withhold shall not apply to amounts described in § 1.860G-3T(b)(1) (regarding certain partnership allocations of REMIC net income with respect to a REMIC residual interest).

(e) [Reserved]. For further guidance, see § 1.1441-2(e).

(f) *Effective date.* This section applies after August 1, 2006. This section will expire July 31, 2009.

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

Approved: July 14, 2006.

Eric Solomon,

Acting Deputy Assistant Secretary of the Treasury.

[FR Doc. E6-12363 Filed 7-31-06; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[CGD05-06-076]

RIN 1625-AA08

Special Local Regulations for Marine Events; Wrightsville Channel, Wrightsville Beach, NC

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard is implementing the special local regulations at 33 CFR 100.513 during

the Wilmington YMCA Triathlon to be held September 30, 2006, on the waters of Wrightsville Channel, Wrightsville Beach, North Carolina. This action is necessary to provide for the safety of life on navigable waters during the event. The effect will be to restrict general navigation in the regulated area for the safety of participants and vessels transiting the event area.

DATES: *Effective Dates:* 33 CFR 100.513 will be enforced from 6:30 a.m. to 8:30 a.m. on September 30, 2006.

FOR FURTHER INFORMATION CONTACT: CWO Chris Humphrey, Coast Guard Sector North Carolina, Prevention Department, at (252) 247-4525.

SUPPLEMENTARY INFORMATION: The Wilmington YMCA will sponsor the Wilmington YMCA Triathlon on September 30, 2006 on the waters of Wrightsville Channel, Wrightsville Beach, North Carolina. The event will involve approximately 1500 swimmers competing along a course within the regulated area. In order to ensure the safety of the swimmers and transiting vessels, 33 CFR 100.513 will be enforced for the duration of the event. Under provisions of 33 CFR 100.513, a vessel may not enter the regulated area unless it receives permission from the Coast Guard Patrol Commander.

In addition to this notice, the maritime community will be provided extensive advance notification via the Local Notice to Mariners, marine information broadcasts, local radio stations and area newspapers, so mariners can adjust their plans accordingly.

Dated: July 19, 2006.

L.L. Hereth,

Rear Admiral, U.S. Coast Guard, Commander, Fifth Coast Guard District.

[FR Doc. E6-12333 Filed 7-31-06; 8:45 am]

BILLING CODE 4910-15-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD01-06-091]

Drawbridge Operation Regulations; Mill Neck Creek, Oyster Bay, NY

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations; request for comments.

SUMMARY: The Commander, First Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the Bayville Bridge,

across Mill Neck Creek, mile 0.1, at Oyster Bay, New York. This deviation will test a change to the drawbridge operation schedule to determine whether a permanent change to the schedule is needed. Under this deviation the bridge shall be crewed on a fixed daily schedule between July 21, 2006 and October 18, 2006. At all other times the bridge shall open on signal if at least a two-hour notice is given by calling the number posted at the bridge.

DATES: This deviation is effective from July 21, 2006 through October 18, 2006. Comments must reach the Coast Guard on or before November 18, 2006.

ADDRESSES: You may mail comments and related material to Commander (dpb), First Coast Guard District Bridge Branch, One South Street, Battery Park Building, New York, New York, 10004, or deliver them to the same address between 7 a.m. and 3 p.m., Monday through Friday, except, Federal holidays. The First Coast Guard District, Bridge Branch, maintains the public docket for this deviation. Comments and material received from the public, as well as documents indicated in this notice as being available in the docket, will become part of this docket and will be available for inspection or copying at the First Coast Guard District, Bridge Branch, 7 a.m. to 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Judy Leung-Yee, Project Officer, First Coast Guard District, at (212) 668-7195.

SUPPLEMENTARY INFORMATION:

Request for Comments

We encourage you to participate in evaluating this test schedule by submitting comments or related material. If you do so, please include your name and address, identify the docket number for this deviation (CGD01-06-091), 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 if they reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. Comments must be received by November 18, 2006.

Background and Purpose

The Bayville Bridge has a vertical clearance in the closed position of 9 feet at mean high water and 16 feet at mean low water. The existing drawbridge operation regulations require the bridge to open on demand.

The bridge owner, County of Nassau, Department of Public Works, requested a temporary deviation from the drawbridge operation regulations to test an alternate drawbridge operation schedule to help relieve the bridge owner from the burden of crewing the bridge during the time periods the bridge seldom receives requests to open.

Under this temporary deviation, in effect from July 21, 2006 through October 18, 2006, the Bayville Bridge at mile 0.1, across Mill Neck Creek, shall operate as follows:

From July 21, 2006 through Labor Day, September 4, 2006, the bridge shall open on signal from 7 a.m. through 5 p.m., Monday through Wednesday; from 7 a.m. through 9 p.m., on Thursday; from 7 a.m. through 11 p.m., on Friday and Saturday; and from 7 a.m. through 9 p.m. on Sunday.

From September 5, 2006 through October 18, 2006, the bridge shall open on signal from 7 a.m. through 5 p.m., daily.

At all other times the bridge shall open on signal if at least a two-hour notice is given by calling the number posted at the bridge.

This deviation from the operating regulations is authorized under 33 CFR 117.43.

Dated: July 20, 2006.

Gary Kassof,

Bridge Program Manager, First Coast Guard District.

[FR Doc. E6-12278 Filed 7-31-06; 8:45 am]

BILLING CODE 4910-15-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD01-06-092]

Drawbridge Operation Regulations; Hackensack River, Jersey City, NJ

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Commander, First Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the Path Bridge, across the Hackensack River, mile 3.0, at Jersey City, New Jersey. This deviation allows the bridge to remain in the closed position every Saturday and Sunday from July 22, 2006 through September 18, 2006. This deviation is necessary to facilitate scheduled bridge maintenance.