Effective Date

(a) This airworthiness directive (AD) becomes effective August 17, 2005.

Affected ADs

(b) None.

Applicability

(c) This AD applies to the Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc. propeller models last returned to service by Southern California Propeller Service of Inglewood, CA., listed in the following Table 1:

TABLE 1.—APPLICABLE PROPELLER MODELS

Hartzell Propeller, Inc.
()HC–()(2,3,4)Y()–().
()HC–()(2,3,4)(X,V,MV,W,Z,P,R)(F,G,L,K,R,20,30,31)–().
()HA–()–().
HC–B(3,4)(M,P,R,T)(A,N,P)–().
HC–(D,E)(4,5)(A,B,N,P)–().
McCauley Propeller Systems
()2()()3()C()()()–(): All constant speed two-bladed propeller models.
()3()()3()C()()()–(): All constant speed three-bladed propeller models.
1()()()()/(): All metal propeller models.
Sensenich Propeller Manufacturing Company, Inc.
All metal propeller models.

(d) These actions are against propeller models returned to service by Southern California Propeller Service. Southern California Propeller Service is not to be confused with propeller repair stations known as California Propeller or as Propeller Service of California. Southern California Propeller Service was issued Air Agency Certificate number of VXSR617L in 1992, which was revoked in June of 1998.

(e) For Hartzell and McCauley propeller models listed in Table 1 of this AD, any letter or number (or lack of a letter or number) could appear where open parentheses are shown in the model number. Model numbers could show any combination of letters or numbers where the model number shows parentheses with a series of numbers or letters.

(f) For propeller models listed in Table 1 of this AD, that have been overhauled since being returned to service by Southern California Propeller Service by an authorized repair station other than Southern California Propeller Service, no further action is required.

Unsafe Condition

(g) This AD results from the investigation of a failed propeller blade and subsequent inspections of various propeller models returned to service by Southern California Propeller Service, of Inglewood, CA. We are issuing this AD to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane.

Compliance

(h) You are responsible for having the actions required by this AD performed within 10 hours time-in-service after the effective date of this AD.

Required Actions

(i) Perform the actions specified in paragraph (j) of this AD on propeller models listed in Table 1 of this AD. You can find information on performing the actions in the applicable propeller manufacturer's service documentation.

(j) Perform the following actions:

(1) Disassemble,

(2) Clean,

(3) Inspect for the following:

(i) Cracks,

(ii) Corrosion or pits,

(iii) Nicks,

(iv) Scratches,

(v) Blade minimum dimensions,

(vi) Unapproved localized heating of blade,

(vii) Unapproved use of helicoil inserts in actuating pin holes,

(viii) Improperly drilled actuating pin holes,

(ix) Chemical conversion coat or paint or both applied over corrosion,

(x) Lack of chemical conversion coating,

(xi) Lack of paint on internal surfaces,

(xii) Bolts incorrectly torqued,

(xiii) Incorrect parts,

(xiv) Incorrect installation of parts,

(xv) Reinstallation of parts intended for one-time use, and

(xvi) Lack of proper shot peening.

(4) Repair and replace with serviceable parts, as necessary,

(5) Reassemble and test.

Alternative Methods of Compliance

(k) The Manager, Chicago Aircraft Certification Office, has the authority to approve alternative methods of compliance (AMOCs) for this AD if requested using the procedures found in 14 CFR 39.19.

Special Flight Permits

(l) Under 14 CFR 39.23, we are limiting the special flight permits for this AD by not allowing any flights with apparent cracks in propellers.

Related Information

(m) Special Airworthiness Information Bulletin No. NE–01–19, dated March 20, 2001, pertains to the subject of this AD.

Issued in Burlington, Massachusetts, on July 5, 2005.

Francis A. Favara,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 05–13740 Filed 7–12–05; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9209]

RIN 1545–BC69

Section 179 Elections

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the election to expense the cost of property subject to section 179 of the Internal Revenue Code (Code). The regulations reflect changes to the law made by section 202 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 and section 201 of the American Jobs Creation Act of 2004.

DATES: *Effective Date.* These regulations are effective July 13, 2005.

Applicability Dates: For dates of applicability, see § 1.179–6.

FOR FURTHER INFORMATION CONTACT: Winston H. Douglas, (202) 622–3110 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in these final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545–1201. The collections of information in these final regulations are in §§ 1.179–2 and 1.179–5. This information is required by § 1.179–2 to ensure that married individuals filing separate returns properly allocate the cost of section 179 property elected to be expensed in a taxable year and that the dollar limitation is properly allocated among the component members of a controlled group. Also, this information is required by § 1.179–5 to ensure the specific identification of each piece of acquired section 179 property and reflect how and from whom such property was placed in service. This information will be used for audit and examination purposes.

Estimated total annual reporting and/or recordkeeping burden: 3,015,000 hours.

The estimated annual burden per respondent/recordkeeper varies from .50 to 1 hour, depending on individual circumstances, with an estimated average of .75 hour.

Estimated number of respondents and/or recordkeepers: 4,025,000.

Estimated frequency of responses: Annually.

Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments are specifically requested concerning how the burden of complying with the collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents might become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains amendments to 26 CFR parts 1 and 602. On August 4, 2004, the IRS and Treasury Department published temporary regulations (TD 9146) in the **Federal Register** (69 FR 46982) relating to the election to expense the cost of property subject to section 179 of the Code. The temporary regulations reflected changes to the law made by section 202 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA), Public Law 108–27 (117 Stat. 752). On the same date, the IRS published a notice of proposed rulemaking (REG–152549–03) cross-referencing the temporary regulations in the **Federal Register** (69 FR 47043). No comments were received from the public in response to the notice of proposed rulemaking and no public hearing was requested or held. However, section 201 of the American Jobs Creation Act of 2004, Public Law 108–357 (118 Stat. 1418), extended the changes that were made by JGTRRA for an additional two years. The proposed regulations are adopted as amended by this Treasury decision, and the corresponding temporary regulations are removed. The revisions are discussed below.

Explanation of Provisions

Scope

The changes made to section 179 by section 202 of JGTTRA were applicable for section 179 property placed in service by a taxpayer in taxable years beginning after 2002 and before 2006. Section 202 of JGTRRA expanded the definition of section 179 property to include off-the-shelf computer software (a category of intangible property) and increased the $25,000 and $200,000 limitation amounts of section 179(b)(1) and (b)(2), respectively, to $100,000 and $400,000, respectively. In addition, the $100,000 and $400,000 amounts were indexed annually for inflation for taxable years beginning after 2003 and before 2006. JGTRRA also modified section 179 to provide that any election or specification for taxable years beginning after 2002 and before 2006 may be revoked by the taxpayer with respect to any section 179 property, and that such revocation, once made, shall be irrevocable. With respect to a taxable year beginning after 2002 and before 2006, the conference agreement permitted taxpayers to make or revoke an expensing election on an amended Federal tax return without the consent of the Commissioner. The temporary regulations reflected the changes to section 179 made by section 202 of JGTTRA.

Subsequent to the issuance of the proposed regulations and the temporary regulations, the American Jobs Creation Act of 2004 (AJCA) was enacted. Section 201 of AJCA extends the changes that were made by JGTTRA for an additional two years. The final regulations retain the rules relating to the JGTTRA changes contained in the temporary regulations. The final regulations also apply the AJCA's two-year extension of the JGTTRA changes to section 179 property placed in service by a taxpayer in a taxable year beginning after 2002 and before 2008.

Manner of Making an Election or Revoking an Election Under Section 179

The final regulations provide that for any taxable year beginning after 2002 and before 2008, a section 179 election or a revocation of a section 179 election may be made on an amended Federal tax return for that taxable year to which the election or revocation applies. For any taxable year beginning before 2003, a late section 179 election or a revocation of a section 179 election generally is made by a taxpayer submitting a request for a letter ruling. Accordingly, the final regulations clarify that a section 179 election or a revocation of a section 179 election generally must not be made in any other manner (for example, a section 179 election or revocation of a section 179 election cannot be made through a request under section 446(e) to change the taxpayer's method of accounting).

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that the amount of time necessary to record and retain the required information will be minimal for those taxpayers electing to expense the cost of section 179 property. The estimated annual burden for each such taxpayer varies from .50 to 1 hour, depending on individual circumstances, with an estimated average of .75 hour. Therefore, a regulatory flexibility analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding these final regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Winston H. Douglas, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

■ Accordingly, 26 CFR parts 1 and 602 are 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 1.179–0 is amended as follows:

■ 1. The entries for § 1.179–2(b)(1) and (b)(2), § 1.179–4(a), and § 1.179–5(c) are revised.

■ 2. The entries for § 1.179–5(d) and § 1.179–6(a), (b), and (c) are added.

■ 3. Sections 1.179–2T, 1.179–4T, 1.179–5T, and 1.179–6T are removed.

The revisions and additions read as follows:

§ 1.179–0 Table of contents for section 179 expensing rules.

* * * * *

§ 1.179–2 Limitations on amount subject to section 179 election.

* * * * *

(b) * * *

(1) In general.

(2) Excess section 179 property.

* * * * *

§ 1.179–4 Definitions.

(a) Section 179 property.

* * * * *

§ 1.179–5 Time and manner of making election.

* * * * *

(c) Section 179 property placed in service by the taxpayer in a taxable year beginning after 2002 and before 2008.

(d) Election or revocation must not be made in any other manner.

§ 1.179–6 Effective dates.

(a) In general.

(b) Section 179 property placed in service by the taxpayer in a taxable year beginning after 2002 and before 2008.

(c) Application of § 1.179–5(d).

§ 1.179–2 [Amended]

■ **Par. 3.** Section 1.179–2 is amended by revising paragraphs (b)(1) and (b)(2)(ii) to read as follows:

§ 1.179–2 Limitations on amount subject to section 179 election.

* * * * *

(b) *Dollar limitation*—(1) *In general.* The aggregate cost of section 179 property that a taxpayer may elect to expense under section 179 for any taxable year beginning in 2003 and thereafter is $25,000 ($100,000 in the case of taxable years beginning after 2002 and before 2008 under section 179(b)(1), indexed annually for inflation under section 179(b)(5) for taxable years beginning after 2003 and before 2008), reduced (but not below zero) by the amount of any excess section 179 property (described in paragraph (b)(2) of this section) placed in service during the taxable year.

(b) * * *

(2) * * *

(ii) $200,000 ($400,000 in the case of taxable years beginning after 2002 and before 2008 under section 179(b)(2), indexed annually for inflation under section 179(b)(5) for taxable years beginning after 2003 and before 2008).

* * * * *

§ 1.179–2T [Removed]

■ **Par. 4.** Section 1.179–2T is removed.

§ 1.179–4 [Amended]

■ **Par. 5.** Section 1.179–4 is amended by revising the introductory text and paragraph (a) to read as follows:

§ 1.179–4 Definitions.

The following definitions apply for purposes of section 179 and §§ 1.179–1 through 1.179–6:

(a) *Section 179 property.* The term *section 179 property* means any tangible property described in section 179(d)(1) that is acquired by purchase for use in the active conduct of the taxpayer's trade or business (as described in § 1.179–2(c)(6)). For taxable years beginning after 2002 and before 2008, the term *section 179 property* includes computer software described in section 179(d)(1) that is placed in service by the taxpayer in a taxable year beginning after 2002 and before 2008 and is acquired by purchase for use in the active conduct of the taxpayer's trade or business (as described in 1.179–2(c)(6)). For purposes of this paragraph (a), the term *trade or business* has the same meaning as in section 162 and the regulations under section 162.

* * * * *

§ 1.179–4T [Removed]

■ **Par. 6.** Section 1.179–4T is removed.

§ 1.179–5 [Amended]

■ **Part. 7.** Section 1.179–5 is amended by revising paragraph (c) and adding paragraph (d) to read as follows:

§ 1.179–5 Time and manner of making election.

* * * * *

(c) *Section 179 property placed in service by the taxpayer in a taxable year beginning after 2002 and before 2008*—(1) *In general.* For any taxable year beginning after 2002 and before 2008, a taxpayer is permitted to make or revoke an election under section 179 without the consent of the Commissioner on an amended Federal tax return for that taxable year. This amended return must be filed within the time prescribed by law for filing an amended return for such taxable year.

(2) *Election*—(i) *In general.* For any taxable year beginning after 2002 and before 2008, a taxpayer is permitted to make an election under section 179 on an amended Federal tax return for that taxable year without the consent of the Commissioner. Thus, the election under section 179 and § 1.179–1 to claim a section 179 expense deduction for section 179 property may be made on an amended Federal tax return for the taxable year to which the election applies. The amended Federal tax return must include the adjustment to taxable income for the section 179 election and any collateral adjustments to taxable income or to the tax liability (for example, the amount of depreciation allowed or allowable in that taxable year for the item of section 179 property to which the election pertains). Such adjustments must also be made on amended Federal tax returns for any affected succeeding taxable years.

(ii) *Specifications of elections.* Any election under section 179 must specify the items of section 179 property and the portion of the cost of each such item to be taken into account under section 179(a). Any election under section 179 must comply with the specification requirements of section 179(c)(1)(A), § 1.179–1(b), and § 1.179–5(a). If a taxpayer elects to expense only a portion of the cost basis of an item of section 179 property for a taxable year beginning after 2002 and before 2008 (or did not elect to expense any portion of the cost basis of the item of section 179 property), the taxpayer is permitted to file an amended Federal tax return for that particular taxable year and increase the portion of the cost of the item of section 179 property to be taken into account under section 179(a) (or elect to expense any portion of the cost basis of the item of section 179 property if no prior election was made) without the consent of the Commissioner. Any such increase in the amount expensed under section 179 is not deemed to be a revocation of the prior election for that particular taxable year.

(3) *Revocation*—(i) *In general.* Section 179(c)(2) permits the revocation of an entire election or specification, or a portion of the selected dollar amount of a specification. The term *specification* in section 179(c)(2) refers to both the selected specific item of section 179 property subject to a section 179 election and the selected dollar amount allocable to the specific item of section 179 property. Any portion of the cost basis of an item of section 179 property

subject to an election under section 179 for a taxable year beginning after 2002 and before 2008 may be revoked by the taxpayer without the consent of the Commissioner by filing an amended Federal tax return for that particular taxable year. The amended Federal tax return must include the adjustment to taxable income for the section 179 revocation and any collateral adjustments to taxable income or to the tax liability (for example, allowable depreciation in that taxable year for the item of section 179 property to which the revocation pertains). Such adjustments must also be made on amended Federal tax returns for any affected succeeding taxable years. Reducing or eliminating a specified dollar amount for any item of section 179 property with respect to any taxable year beginning after 2002 and before 2008 results in a revocation of that specified dollar amount.

(ii) *Effect of revocation.* Such revocation, once made, shall be irrevocable. If the selected dollar amount reflects the entire cost of the item of section 179 property subject to the section 179 election, a revocation of the entire selected dollar amount is treated as a revocation of the section 179 election for that item of section 179 property and the taxpayer is unable to make a new section 179 election with respect to that item of property. If the selected dollar amount is a portion of the cost of the item of section 179 property, revocation of a selected dollar amount shall be treated as a revocation of only that selected dollar amount. The revoked dollars cannot be the subject of a new section 179 election for the same item of property.

(4) *Examples.* The following examples illustrate the rules of this paragraph (c):

Example 1. Taxpayer, a sole proprietor, owns and operates a jewelry store. During 2003, Taxpayer purchased and placed in service two items of section 179 property—a cash register costing $4,000 (5-year MACRS property) and office furniture costing $10,000 (7-year MACRS property). On his 2003 Federal tax return filed on April 15, 2004, Taxpayer elected to expense under section 179 the full cost of the cash register and, with respect to the office furniture, claimed the depreciation allowable. In November 2004, Taxpayer determines it would have been more advantageous to have made an election under section 179 to expense the full cost of the office furniture rather than the cash register. Pursuant to paragraph (c)(1) of this section, Taxpayer is permitted to file an amended Federal tax return for 2003 revoking the section 179 election for the cash register, claiming the depreciation allowable in 2003 for the cash register, and making an election to expense under section 179 the cost of the office furniture. The amended return must include an adjustment for the depreciation previously claimed in 2003 for the office furniture, an adjustment for the depreciation allowable in 2003 for the cash register, and any other collateral adjustments to taxable income or to the tax liability. In addition, once Taxpayer revokes the section 179 election for the entire cost basis of the cash register, Taxpayer can no longer expense under section 179 any portion of the cost of the cash register.

Example 2. Taxpayer, a sole proprietor, owns and operates a machine shop that does specialized repair work on industrial equipment. During 2003, Taxpayer purchased and placed in service one item of section 179 property—a milling machine costing $135,000. On Taxpayer's 2003 Federal tax return filed on April 15, 2004, Taxpayer elected to expense under section 179 $5,000 of the cost of the milling machine and claimed allowable depreciation on the remaining cost. Subsequently, Taxpayer determines it would have been to Taxpayer's advantage to have elected to expense $100,000 of the cost of the milling machine on Taxpayer's 2003 Federal tax return. In November 2004, Taxpayer files an amended Federal tax return for 2003, increasing the amount of the cost of the milling machine that is to be taken into account under section 179(a) to $100,000, decreasing the depreciation allowable in 2003 for the milling machine, and making any other collateral adjustments to taxable income or to the tax liability. Pursuant to paragraph (c)(2)(ii) of this section, increasing the amount of the cost of the milling machine to be taken into account under section 179(a) supplements the portion of the cost of the milling machine that was already taken into account by the original section 179 election made on the 2003 Federal tax return and no revocation of any specification with respect to the milling machine has occurred.

Example 3. Taxpayer, a sole proprietor, owns and operates a real estate brokerage business located in a rented storefront office. During 2003, Taxpayer purchases and places in service two items of section 179 property—a laptop computer costing $2,500 and a desktop computer costing $1,500. On Taxpayer's 2003 Federal tax return filed on April 15, 2004, Taxpayer elected to expense under section 179 the full cost of the laptop computer and the full cost of the desktop computer. Subsequently, Taxpayer determines it would have been to Taxpayer's advantage to have originally elected to expense under section 179 only $1,500 of the cost of the laptop computer on Taxpayer's 2003 Federal tax return. In November 2004, Taxpayer files an amended Federal tax return for 2003 reducing the amount of the cost of the laptop computer that was taken into account under section 179(a) to $1,500, claiming the depreciation allowable in 2003 on the remaining cost of $1,000 for that item, and making any other collateral adjustments to taxable income or to the tax liability. Pursuant to paragraph (c)(3)(ii) of this section, the $1,000 reduction represents a revocation of a portion of the selected dollar amount and no portion of those revoked dollars may be the subject of a new section 179 election for the laptop computer.

Example 4. Taxpayer, a sole proprietor, owns and operates a furniture making business. During 2003, Taxpayer purchases and places in service one item of section 179 property—an industrial-grade cabinet table saw costing $5,000. On Taxpayer's 2003 Federal tax return filed on April 15, 2004, Taxpayer elected to expense under section 179 $3,000 of the cost of the saw and, with respect to the remaining $2,000 of the cost of the saw, claimed the depreciation allowable. In November 2004, Taxpayer files an amended Federal tax return for 2003 revoking the selected $3,000 amount for the saw, claiming the depreciation allowable in 2003 on the $3,000 cost of the saw, and making any other collateral adjustments to taxable income or to the tax liability. Subsequently, in December 2004, Taxpayer files a second amended Federal tax return for 2003 selecting a new dollar amount of $2,000 for the saw, including an adjustment for the depreciation previously claimed in 2003 on the $2,000, and making any other collateral adjustments to taxable income or to the tax liability. Pursuant to paragraph (c)(2)(ii) of this section, Taxpayer is permitted to select a new selected dollar amount to expense under section 179 encompassing all or a part of the initially non-elected portion of the cost of the elected item of section 179 property. However, no portion of the revoked $3,000 may be the subject of a new section 179 dollar amount selection for the saw. In December 2005, Taxpayer files a third amended Federal tax return for 2003 revoking the entire selected $2,000 amount with respect to the saw, claiming the depreciation allowable in 2003 for the $2,000, and making any other collateral adjustments to taxable income or to the tax liability. Because Taxpayer elected to expense, and subsequently revoke, the entire cost basis of the saw, the section 179 election for the saw has been revoked and Taxpayer is unable to make a new section 179 election with respect to the saw.

(d) *Election or revocation must not be made in any other manner.* Any election or revocation specified in this section must be made in the manner prescribed in paragraphs (a), (b), and (c) of this section. Thus, this election or revocation must not be made by the taxpayer in any other manner (for example, an election or a revocation of an election cannot be made through a request under section 446(e) to change the taxpayer's method of accounting), except as otherwise expressly provided by the Internal Revenue Code, the regulations under the Code, or other guidance published in the Internal Revenue Bulletin.

§ 1.179–5T [Removed]

■ **Par. 8.** Section 1.179–5T is removed.

§ 1.179–6 [Removed]

■ **Par. 9.** Section 1.179–6 is removed.

§ 1.179–6T [Amended]

■ **Par. 10.** Section 1.179–6T is redesignated as § 1.179–6 and amended as follows:

■ 1. The first sentence of paragraph (a) is revised.

■ 2. Paragraph (b) is revised.

■ 3. Paragraph (c) is added.

The revisions and addition read as follows:

§ 1.179–6 Effective dates.

(a) * * * Except as provided in paragraphs (b) and (c) of this section, the provisions of §§ 1.179–1 through 1.179–5 apply for property placed in service by the taxpayer in taxable years ending after January 25, 1993. * * *

(b) *Section 179 property placed in service by the taxpayer in a taxable year beginning after 2002 and before 2008.* The provisions of § 1.179–2(b)(1) and (b)(2)(ii), the second sentence of § 1.179–4(a), and the provisions of § 1.179–5(c), reflecting changes made to section 179 by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (117 Stat. 752) and the American Jobs Creation Act of 2004 (118 Stat. 1418), apply for property placed in service in taxable years beginning after 2002 and before 2008.

(c) *Application of § 1.179–5(d).* Section 1.179–5(d) applies on or after July 12, 2005.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 11.** The authority citation for part 602 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 12.** In § 602.101, paragraph (b) is amended by removing the entries for ''1.179–2T'' and ''1.179–5T'' and adding a new entry for ''1.179–5'' in numerical order to the table to read as follows:

§ 602.101 OMB Control numbers.

* * * * *

(b) * * *

CFR part or section where identified and described	Current OMB control No.
* * * * *	
1.179–5	1545–1201 .....
* * * * *	

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

Approved: June 23, 2005.

Eric Solomon,

Acting Deputy Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 05–13680 Filed 7–12–05; 8:45 am]

BILLING CODE 4830–01–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[R07–OAR–2005–MO–0003; FRL–7936–7]

Approval and Promulgation of Implementation Plans; State of Missouri

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is announcing the approval of an amendment to the statewide NO_X rule for the state of Missouri. The purpose of this rule is to reduce the state's contribution to the St. Louis 8-hour ozone nonattainment area. Consequently, the reductions in NO_X emissions will also help to reduce the amount of PM2.5 precursors in the area. This action is necessary to complete the process of incorporating the amended rule into Missouri's ozone SIP.

DATES: This rule is effective on August 12, 2005.

FOR FURTHER INFORMATION CONTACT: Michael Jay at (913) 551–7460 or by e-mail at *jay.michael@epa.gov*.

SUPPLEMENTARY INFORMATION: Throughout this document whenever ''we'', ''us'', or ''our'' is used, we mean EPA. This section provides additional information by addressing the following questions:

What is a SIP?
What is the Federal approval process for a SIP?
What does Federal approval of a state regulation mean to me?
What is being addressed in this document?
How does the statewide NO_X rule relate to the NO_X SIP call?
Have the requirements for approval of a SIP revision been met?
What action is EPA taking?

What Is a SIP?

Section 110 of the Clean Air Act (CAA) requires states to develop air pollution regulations and control strategies to ensure that state air quality meets the national ambient air quality standards established by EPA. These ambient standards are established under section 109 of the CAA, and they currently address six criteria pollutants. These pollutants are: Carbon monoxide, nitrogen dioxide, ozone, lead, particulate matter, and sulfur dioxide.

Each state must submit these regulations and control strategies to us for approval and incorporation into the Federally-enforceable SIP.

Each Federally-approved SIP protects air quality primarily by addressing air pollution at its point of origin. These SIPs can be extensive, containing state regulations or other enforceable documents and supporting information such as emission inventories, monitoring networks, and modeling demonstrations.

What Is the Federal Approval Process for a SIP?

In order for state regulations to be incorporated into the Federally-enforceable SIP, states must formally adopt the regulations and control strategies consistent with state and Federal requirements. This process generally includes a public notice, public hearing, public comment period, and a formal adoption by a state-authorized rulemaking body.

Once a state rule, regulation, or control strategy is adopted, the state submits it to us for inclusion into the SIP. We must provide public notice and seek additional public comment regarding the proposed Federal action on the state submission. If adverse comments are received, they must be addressed prior to any final Federal action by us.

All state regulations and supporting information approved by EPA under section 110 of the CAA are incorporated into the Federally-approved SIP. Records of such SIP actions are maintained in the Code of Federal Regulations (CFR) at title 40, part 52, entitled ''Approval and Promulgation of Implementation Plans.'' The actual state regulations which are approved are not reproduced in their entirety in the CFR outright but are ''incorporated by reference,'' which means that we have approved a given state regulation with a specific effective date.

What Does Federal Approval of a State Regulation Mean to Me?

Enforcement of the state regulation before and after it is incorporated into the Federally-approved SIP is primarily a state responsibility. However, after the regulation is Federally approved, we are authorized to take enforcement action against violators. Citizens are also offered legal recourse to address violations as described in section 304 of the CAA.

What Is Being Addressed in This Document?

We are taking final action to approve the Missouri Department of Natural Resources' (MDNR) request to include, as a revision to Missouri's ozone SIP, an amendment to rule 10 CSR 10–6.350, ''Emissions Limitations and Emissions Trading of Oxides of Nitrogen'' (known hereafter as ''statewide NO_X rule''), which was incorporated into the SIP on