

(c) \* \* \*

(1) \* \* \*

(i) \* \* \* See § 1.460-4(k)(2)(iv)(D) for a rule determining the partnership's basis in a long-term contract accounted for under a long-term contract method of accounting.

\* \* \* \* \*

■ **Par. 9.** In § 1.734-1, the undesignated paragraph immediately following paragraph (b)(1)(ii) is revised to read as follows:

**§ 1.734-1 Optional adjustment to basis of undistributed partnership property.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ii) \* \* \*

See § 1.460-4(k)(2)(iv)(D) for a rule determining the partnership's basis in a long-term contract accounted for under a long-term contract method of accounting. The provisions of this paragraph (b)(1) are illustrated by the following examples:

\* \* \* \* \*

■ **Par. 10.** Section 1.743-1 is amended as follows:

■ 1. A sentence is added at the end of paragraph (d)(2).

■ 2. A sentence is added at the end of paragraph (j)(2).

The additions read as follows:

**§ 1.743-1 Optional adjustment to basis of partnership property.**

\* \* \* \* \*

(d) \* \* \*

(2) \* \* \* See § 1.460-4(k)(3)(v)(B) for a rule relating to the computation of income or loss that would be allocated to the transferee from a contract accounted for under a long-term contract method of accounting as a result of the hypothetical transaction.

\* \* \* \* \*

(j) \* \* \*

(2) \* \* \* See § 1.460-4(k)(3)(v)(B) for rules relating to the effect of a basis adjustment under section 743(b) that is allocated to a contract accounted for under a long-term contract method of accounting in determining the transferee's distributive share of income or loss from the contract.

\* \* \* \* \*

■ **Par. 11.** In § 1.751-1, a sentence is added at the end of paragraph (a)(2) to read as follows:

**§ 1.751-1 Unrealized receivables and inventory items.**

(a) \* \* \*

(2) \* \* \* See § 1.460-4(k)(2)(iv)(E) for rules relating to the amount of ordinary income or loss attributable to a contract

accounted for under a long-term contract method of accounting.

\* \* \* \* \*

■ **Par. 12.** Section 1.755-1 is amended as follows.

■ 1. Adding a sentence at the end of paragraph (b)(1)(ii).

■ 2. Paragraph (c)(5) is redesignated as paragraph (c)(6).

■ 3. New paragraph (c)(5) is added.

The additions read as follows:

**§ 1.755-1 Rules for allocation of basis.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ii) \* \* \* See § 1.460-4(k)(3)(v)(B) for a rule relating to the computation of income or loss that would be allocated to the transferee from a contract accounted for under a long-term contract method of accounting as a result of the hypothetical transaction.

\* \* \* \* \*

(c) \* \* \*

(5) *Cross reference.* See § 1.460-4(k)(3)(v)(B) for a rule relating to the computation of unrealized appreciation or depreciation in a contract accounted for under a long-term contract method of accounting.

\* \* \* \* \*

■ **Par. 13.** Section 1.1362-3 is amended by adding a sentence at the end of paragraph (a) to read as follows:

**§ 1.1362-3 Treatment of S termination year.**

(a) \* \* \* See § 1.460-4(k)(3)(iv)(D) for rules relating to the computation of the S corporation's income or loss from a contract accounted for under a long-term contract method of accounting in the S termination year.

\* \* \* \* \*

■ **Par. 14.** Section 1.1377-1 is amended by adding a sentence at the end of paragraph (a)(1) to read as follows:

**§ 1.1377-1 Pro rata share.**

(a) \* \* \*

(1) \* \* \* See § 1.460-4(k)(3)(iv)(D) for rules relating to the computation of the shareholders' pro rata share of S corporation's income or loss from a contract accounted for under a long-term contract method of accounting.

\* \* \* \* \*

**Mark E. Matthews,**  
*Deputy Commissioner for Services and Enforcement.*

Approved: July 1, 2004.

**Gregory Jenner,**  
*Acting Assistant Secretary of the Treasury.*  
[FR Doc. 04-15833 Filed 7-15-04; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9138]

RIN 1545-BD12

#### Transitional Rule for Vested Accrued Vacation Pay

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Removal of temporary regulation.

**SUMMARY:** This document removes a temporary regulation that provides a rule for an election to deduct vested accrued vacation pay for the first taxable year ending after July 18, 1984. The repeal of the underlying code section in 1987 has rendered the temporary regulation obsolete. The removal of this regulation will not affect taxpayers.

**DATE:** This Treasury decision is effective on July 15, 2004.

**FOR FURTHER INFORMATION CONTACT:** Jamie J. Kim at (202) 622-4950 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

Prior to repeal in 1987, section 463 of the Internal Revenue Code (Code) permitted taxpayers to elect to deduct reasonable additions to a reserve account for vacation pay, including amounts earned by employees before the close of the taxable year that, because of contingencies, would not be deductible under section 162(a) as an accrued expense. In connection with the enactment of the economic performance rules under section 461(h), section 91(i) of the Tax Reform Act of 1984, Public Law 98-369 (98 Stat. 494, 609), provided a transitional rule under which certain taxpayers could make an election under section 463 for the first taxable year ending after July 18, 1984. On February 4, 1986, the IRS and Treasury published temporary regulation § 1.463-1T (TD 8073) in the *Federal Register* (51 FR 4312), as amended on April 2, 1986, (51 FR 11302), to provide guidance on making the election under section 463 pursuant to the transitional rule. The repeal of section 463 by section 10201(a) of the Revenue Act of 1987, Public Law 100-203 (101 Stat. 1330-382, 1330-387), has rendered temporary regulation § 1.463-1T obsolete.

##### Special Analyses

It has been determined that the removal of this regulation is not a

significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. Because this rule merely removes regulatory provisions made obsolete by statute, prior notice and comment and a delayed effective date are unnecessary and contrary to the public interest. 5 U.S.C. 553(b)(B) and (d)(3). Because no notice of proposed rulemaking is required, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply.

#### Drafting Information

The principal author of this Treasury decision is Jamie J. Kim of the Office of Associate Chief Counsel (Income Tax and Accounting), IRS.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Removal of Temporary Regulation

■ Accordingly, 26 CFR Part 1 is 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 \* \* \*

#### § 1.463–1T [Removed]

■ **Par. 2.** Section 1.463–1T is removed.

Approved: July 7, 2004.

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

**Gregory F. Jenner,**

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

[FR Doc. 04–16090 Filed 7–15–04; 8:45 am]

BILLING CODE 4830–01–P

#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Parts 51 and 52

[AD–FRL–7788–7]

RIN 2060–AK28

#### Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NSR): Routine Maintenance, Repair and Replacement; Reconsideration

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

**ACTION:** Announcement of public hearing.

**SUMMARY:** The EPA is announcing a public hearing to be held on August 2, 2004, regarding the July 1, 2004

reconsideration notice for regulations governing the NSR programs mandated by parts C and D of title I of the Clean Air Act (CAA). See 69 FR 40278. Being reconsidered are parts of the NSR regulations for routine maintenance, repair and replacement (RMRR) that were promulgated on October 27, 2003. See 68 FR 61249. The public hearing will provide interested parties the opportunity to present data, views, or arguments concerning the July 1, 2004 document.

**DATES:** The public hearing will convene on August 2, 2004 at 9 a.m. eastern daylight time and will end at 5 p.m. eastern daylight time or when the last registered speaker has had an opportunity to speak.

**ADDRESSES:** The public hearing will be held at the Sheraton Imperial Hotel, 4700 Emperor Boulevard, Durham, North Carolina 27703; telephone (919) 941–5050.

Docket: Documents related to this rule are available for public inspection in the EPA Docket Center under E-Docket ID No. OAR–2002–0068 (Legacy Docket ID No. A–2002–04). The record for this public hearing will remain open until September 1, 2004, to allow 30 days for submittal of additional information related to the hearing.

**FOR FURTHER INFORMATION CONTACT:** *Mr. Dave Svendsgaard* at (919) 541–2380, telefax (919) 541–5509, E-mail: [svendsgaard.dave@epa.gov](mailto:svendsgaard.dave@epa.gov), or by mail at U.S. Environmental Protection Agency, OAQPS, Information Transfer and Program Integration Division, (C339–03), Research Triangle Park, North Carolina 27711. If you would like to speak at the hearing, you should contact *Ms. Chandra Kennedy*, U.S., Environmental Protection Agency, OAQPS, Information Transfer and Program Integration Division, (C339–03), Research Triangle Park, North Carolina 27711; telephone (919) 541–5319 or E-mail [kennedy.chandra@epa.gov](mailto:kennedy.chandra@epa.gov), by July 19, 2004, to confirm a reservation to speak. We will notify speakers of their assigned times by July 26, 2004. We will continue to accommodate requests to speak that are received after the July 19, 2004, deadline, subject to available time slots. Presentations will be limited to 5 minutes each.

**SUPPLEMENTARY INFORMATION:** The EPA's planned seating arrangement for the hearing is theater style, with seating available on a first-come, first-served basis for about 250 people. An agenda will be provided at the hearing.

Dated: July 8, 2004.

**Gregory A. Green,**

*Acting Director, Office of Air Quality Planning and Standards.*

[FR Doc. 04–16329 Filed 7–15–04; 8:45 am]

BILLING CODE 6560–50–P

#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 180

[OPP–2004–0120; FRL–7367–1]

#### Spirooxamine; Pesticide Tolerance

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

**ACTION:** Final rule.

**SUMMARY:** This regulation establishes tolerances for combined residues of spirooxamine in or on grape, banana, and hop, dried cones. Bayer CropScience and the Interregional Research Project Number 4 (IR-4), respectively, requested these tolerances under the Federal Food, Drug, and Cosmetic Act (FFDCA), as amended by the Food Quality Protection Act of 1996 (FQPA).

**DATES:** This regulation is effective July 16, 2004. Objections and requests for hearings must be received on or before September 14, 2004.

**ADDRESSES:** To submit a written objection or hearing request follow the detailed instructions as provided in Unit VIII. of the **SUPPLEMENTARY INFORMATION.** EPA has established a docket for this action under Docket ID number OPP–2004–0120. All documents in the docket are listed in the EDOCKET index at <http://www.epa.gov/edocket>. Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in EDOCKET or in hard copy at the Public Information and Records Integrity Branch (PIRIB), Rm. 119, Crystal Mall #2, 1801 S. St., Arlington, VA. This docket facility is open from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The docket telephone number is (703) 305–5805.

**FOR FURTHER INFORMATION CONTACT:** Sidney Jackson, Registration Division (7505C), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: