

account, \$185,774.84). Since this amount is less than the section 467 gain, the recapture amount treated as ordinary income is also \$12,380.24.

(e) *Other rules relating to dispositions*—(1) *In general.* If property subject to a section 467 rental agreement is sold, exchanged, or otherwise disposed of, the section 467 rent for a period is taken into account by the owner of the property during the period. The lessee, however, must continue to take section 467 rent and section 467 interest into account without regard to the change of ownership.

(2) *Treatment of section 467 loan.* If there is a sale, exchange, or other disposition of property subject to a section 467 rental agreement (the transfer), the following rules apply in determining the amount of the section 467 loan for the period after the transfer, the amount realized by the transferor, and the transferee's basis in the property:

(i) The beginning balance of the transferor's section 467 loan is equal to the net present value at the time of the transfer of all subsequent amounts payable as fixed rent and interest on fixed rent to the transferor and all subsequent amounts payable as interest on prepaid fixed rent by the transferor. The transferor must continue to take into account interest on the transferor's section 467 loan balance after the date of the transfer.

(ii) The beginning balance of the transferee's section 467 loan is equal to the principal balance of the section 467 loan immediately before the transfer reduced (below zero, if appropriate) by the beginning balance of the transferor's section 467 loan. Amounts payable to the transferor are not taken into account in adjusting the transferee's section 467 loan balance.

(iii) If the beginning balance of the transferee's section 467 loan is negative, the transferor and transferee must treat the balance as a liability that is either assumed in connection with the transfer of the property or secured by the property acquired subject to the liability. If the beginning balance of the transferee's section 467 loan is positive, the transferor and transferee must treat the balance as an additional asset acquired in connection with the transfer of the property. In the case of a positive beginning balance of the transferee's section 467 loan, the transferee will have an initial cost basis in the section 467 loan equal to the lesser of the beginning balance of the loan or the aggregate consideration for the transfer of the property subject to the section 467 rental agreement and the transfer of the transferor's interest in the section 467 loan.

(3) *Special rules for transfers in certain nonrecognition transactions.* [Reserved]

(f) *Treatment of assignments by lessee and lessee-financed renewals*—(1) *Substitute lessee use.* If a lessee assigns its interest in a section 467 rental agreement to a substitute lessee or a period when a substitute lessee has the use of property subject to a rental agreement is otherwise included in the lease term under § 1.467-1(h), the section 467 rent for a period is taken into account by the person having the use of the property during the period. In addition, the following rules apply in determining the amount of the section 467 loan for the period when the substitute lessee has use of the property and in computing the taxable income of the lessee and substitute lessee—

(i) The beginning balance of the lessee's section 467 loan is equal to the net present value, as of the date on which the substitute lessee first has use of the property, of all amounts subsequently payable by the lessee as fixed rent and interest on fixed rent and all amounts subsequently payable as interest on prepaid fixed rent to the lessee. For purposes of this paragraph (f), any amount otherwise payable by the lessee shall not be treated as an amount subsequently payable by the lessee to the extent that such payment, if made by the lessee, would give rise to a right of contribution or other similar claim against the substitute lessee or any other person. The lessee must continue to take into account interest on the lessee's section 467 loan balance after the substitute lessee first has use of the property.

(ii) The beginning balance of the substitute lessee's section 467 loan is equal to the principal balance of the section 467 loan immediately before the substitute lessee first has use of the property reduced (below zero, if appropriate) by the beginning balance of the lessee's section 467 loan. Amounts payable by the lessee to any person other than the substitute lessee (or a related person) or payable to the lessee by any person other than the substitute lessee (or a related person) are not taken into account in adjusting the substitute lessee's section 467 loan balance.

(iii) If the beginning balance of the substitute lessee's section 467 loan is positive, the beginning balance is treated as—

(A) Gross income of the lessee for the taxable year in which the substitute lessee first has use of the property; and

(B) A liability that is either assumed in connection with the transfer of the leasehold interest to the substitute

lessee or secured by property acquired subject to the liability.

(iv) If the beginning balance of the substitute lessee's section 467 loan is negative—

(A) The beginning balance is treated as an amount incurred by the lessee for the taxable year in which the substitute lessee first has use of the property; and

(B) Repayments of the beginning balance are items of gross income of the substitute lessee in the taxable year in which the repayment occurs (determined by applying any repayment first to the beginning balance of the substitute lessee's section 467 loan).

(v) For purposes of paragraph (f)(1)(iv)(B) of this section, repayments occur as the negative balance is amortized through the net accrual of rent and negative interest.

(2) *Lessor use.* If a period when the lessor has the use of property subject to a section 467 rental agreement is included in the lease term under § 1.467-1(h), the section 467 rent for the period is not taken into account and the lessor is treated as a substitute lessee for purposes of paragraph (f)(1) of this section.

(3) *Special rules for transfers in certain nonrecognition transactions.* [Reserved]

§ 1.467-8 Effective date.

Sections 1.467-1 through 1.467-7 are effective for—

(a) Rental agreements entered into after the date these regulations are published as final regulations in the Federal Register; and

(b) Disqualified leasebacks and long-term agreements entered into after June 3, 1996.

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 96-13719 Filed 5-31-96; 8:45 am]

BILLING CODE 4830-01-U

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Parts 1904 and 1952

Recording and Reporting Occupational Injuries and Illnesses; Extension of Comment Period

AGENCY: Occupational Safety and Health Administration (OSHA), Department of Labor.

ACTION: Proposed Rule; Extension of comment period.

SUMMARY: OSHA published a Notice of Proposed Rulemaking covering the

recording and reporting of workplace deaths, injuries and illnesses, which appeared in the Federal Register on February 2, 1996 (61 FR 4030). At the request of stakeholders, OSHA is extending the end of the public comment period through July 1, 1996.

DATES: Written comments on the NPRM must be postmarked on or before July 1, 1996.

ADDRESSES: Written comments should be submitted in quadruplicate or one original (hardcopy) and 1 disk (5¼ or 3½) in Wordperfect 5.0, 5.1, 6.0 or ASCII to: Docket Officer, Docket No. R-02, Occupational Safety and Health Administration, Room N-2625, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210, telephone (202) 219-7894. Comments of 10 pages or less may be transmitted by facsimile to (202) 219-5046 provided the original and 4 copies of the comment are sent to the Docket Officer thereafter.

FOR FURTHER INFORMATION CONTACT: Ms. Anne Cyr, U.S. Department of Labor, OSHA, Room N-3647, 200 Constitution Avenue NW., Washington, DC 20210, (202) 219-8148.

SUPPLEMENTARY INFORMATION: OSHA published a Notice of Proposed Rulemaking covering the recording and reporting of workplace deaths, injuries and illnesses along with announcing a public meeting which was held March 26-29, which appeared in the Federal Register on February 2, 1996 (61 FR 4030). OSHA published a second notice to provide the public with additional information regarding the economic analysis of the proposed rule in the Federal Register on February 29, 1996 (61 FR 7758-7760). OSHA published a third notice to announce a second public meeting and an extension of the comment period on April 8, 1996 (61 FR 15435). The second public meeting was held April 30 and May 1 to give the public another opportunity to provide OSHA with information on the proposed rule. The transcript of that meeting, along with additional material, has been placed in the docket by OSHA. The additional material consists of the following documents:

1. "Subcontractor Safety as Influenced by General Contractors on Small and Medium Sized Projects". University of Washington, Jimmie Hinze and Lori A. Figone, October 1988.

2. "Assuring Accuracy in Employer Injury and Illness Records", U.S. General Accounting Office (HRD-89-23), December 1988.

3. Various materials relating to OSHA inspection activity for significant occupational injury and illness recordkeeping cases.

4. Various OSHA and BLS letters to the public interpreting OSHA's occupational injury and illness recording and reporting regulations.

5. Various letters and documents describing OSHA's collection of 1995 workplace injury and illness information.

6. Documents relating to a pilot program to evaluate the accuracy of workplace injury and illness records, including "Evaluating Workplace Injury and Illness Records; Testing a Procedure" Monthly Labor Review, April 1988.

7. A July 21, 1978 Federal Register Notice announcing rule changes for "Access to the Log of Occupational Injuries and Illnesses to Employees and their Representatives" (43 FR 31324).

8. A December 28, 1982 Federal Register Notice announcing rule changes for "Exemption From Requirements for Recording Occupational Injuries and Illnesses" (47 FR 57699).

The transcripts of both public meetings, comments from the public and documentary evidence are available from the OSHA Docket Office (see Addresses) Docket No. R-02.

Signed in Washington, DC, this 29th day of May, 1996.

Joseph A. Dear,

Assistant Secretary of Labor.

[FR Doc. 96-13836 Filed 5-30-96; 8:45 am]

BILLING CODE 4510-26-M

DEPARTMENT OF DEFENSE

48 CFR Parts 45 and 52

Federal Acquisition Regulation; Government Property

AGENCY: Department of Defense.

ACTION: Notice of public meetings.

SUMMARY: The next public meetings of the Government Property Rewrite Team are scheduled for June 19 and 20, 1996 (and might continue on June 21, 1996, if necessary). Discussion will focus on a draft revision of FAR Part 45—Government Property and associated contract clauses.

DATES: Public Meetings: The public meetings will be conducted at the address shown below from 9:30 a.m. to 5:00 p.m., local time, on June 19, 20, and, if necessary, June 21, 1996.

ADDRESSES: Public Meetings: The public meetings will be held in the 4th floor conference room, VSE Corporation, 2250 Huntington Ave., Alexandria, VA 22303.

FOR FURTHER INFORMATION CONTACT: Ms. Angelena Moy, by telephone at (703) 695-1097/1098, or by FAX at (703) 695-7596.

SUPPLEMENTARY INFORMATION:

Draft Materials

Drafts of the materials to be discussed at the public meetings are available electronically in Microsoft Word 6.0 and ASCII text formats at the Major Policy Initiatives Internet Office Home Page—<http://www.acq.osd.mil/dp/mpi/>

Obtain paper copies from Ms. Angelena Moy, PDUSD (A&T) DP/MPI, Room 3C128, The Pentagon, Washington DC 20301-3060.

Background

The Director, Defense Procurement, is leading an Inter-Agency team that is considering revisions to the Federal Acquisition Regulation (FAR) Part 45, Government Property, which will reduce administrative burdens imposed by Part 45 on contractors and government personnel and improve government property management and disposal business processes. The Director, Defense Procurement, is providing a forum for an exchange of ideas and information with government and industry personnel by holding public meetings, soliciting public comments, and publishing notices of the public meetings in the Federal Register. The June 1996 public meetings are intended to obtain comments or suggestions regarding the current draft FAR Part 45 which includes new and revised material recommended by public and government sources during and subsequent to the November 1995 public meetings.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulation Council.

[FR Doc. 96-13805 Filed 5-31-96; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 625

[Docket No. 960520141-6141-01; I.D. 042696A]

RIN 0648-AH05

Summer Flounder and Scup Fisheries; Amendment 8

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS issues this proposed rule and request for comments to