

contribute significantly to public understanding of the operations or activities of the government and is not primarily in the commercial interest of the requester.

\* \* \* \* \*

16. Appendix D to part 145 is removed.

Issued in Washington, DC, on July 21, 2004, by the Commission.

**Jean A. Webb,**

*Secretary of the Commission.*

[FR Doc. 04-17051 Filed 7-27-04; 8:45 am]

BILLING CODE 6351-01-P

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 240 and 242

[Release No. 34-50056; International Series Release No. 1279; File No. S7-26-04]

RIN 3235-AJ28

#### Regulation B

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Proposed Rule; extension of comment period.

**SUMMARY:** On June 17, 2004, the Securities and Exchange Commission ("Commission") issued and requested comment on proposed Regulation B (69 FR 39682, June 30, 2004). Regulation B proposes a number of new exemptions for banks from the definition of the term "broker" under Section 3(a)(4) of the Securities Exchange Act of 1934 ("Exchange Act"), as amended by the Gramm-Leach-Bliley Act ("GLBA"). The proposal would broaden a number of exemptions already available to banks, savings associations, and savings banks that effect transactions in securities. It also would define certain terms used in the GLBA. The Commission is extending the comment period on the Regulation B until September 1, 2004. This action will allow interested persons additional time to analyze the issues and prepare their comments.

**DATES:** Comments should be received on or before September 1, 2004.

**ADDRESSES:** Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/proposed.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7-26-04 on the subject line; or
- Use the Federal eRulemaking Portal (<http://www.regulations.gov>). Follow

the instructions for submitting comments.

#### Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. All submissions should refer to File Number S7-26-04. This file number should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/proposed.shtml>). Comments are also available for public inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. All comments received will be posted without change; we do not edit personal identify information from submissions. You should submit only information that you wish to make available publicly.

**FOR FURTHER INFORMATION CONTACT:** Linda Stamp Sundberg, Attorney Fellow, or Brice Prince, Special Counsel at (202) 942-0073, Office of the Chief Counsel, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-1001.

**SUPPLEMENTARY INFORMATION:** On June 17, 2004, the Commission requested comment on its proposed Regulation B concerning the securities activities of banks, savings associations, savings banks and credit unions.<sup>1</sup> Proposed Regulation B would establish a number of new exemptions for banks from the definition of the term "broker" under Section 3(a)(4) of the Exchange Act, as amended by the GLBA. The proposal would broaden a number of exemptions already available to banks, savings associations, and savings banks that effect transactions in securities. It also would define certain terms used in the GLBA.

Several trade associations that represent banks, savings associations, and savings banks have requested that the Commission extend the public comment period for the proposed Regulation B for an additional 30-day period. The trade associations have indicated that such an extension would enable them and their members to better analyze and address the substantive, operational and legal issues associated with the proposed Regulation B.

<sup>1</sup> Exchange Act Release No. 49879, International Series Release No. 1278 (June 17, 2004); 69 FR 39682 (June 30, 2004).

In light of these requests, the Commission is providing the public additional time until September 1, 2004 to comment on the proposed Regulation B.

Dated: July 22, 2004.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 04-17112 Filed 7-27-04; 8:45 am]

BILLING CODE 8010-01-M

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-208246-90]

RIN 1545-BD47

#### Allocation and Apportionment of Deductions for Charitable Contributions

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

**ACTION:** Withdrawal of notice of proposed rulemaking, notice of proposed rulemaking, notice of proposed rulemaking by cross-reference to temporary regulations, and notice of public hearing.

**SUMMARY:** This document withdraws the notice of proposed rulemaking published on March 12, 1991 (the 1991 proposed regulations), relating to the allocation and apportionment of charitable deductions. In addition, in the Rules and Regulations section of this issue of the **Federal Register**, the Treasury Department and the IRS are issuing temporary regulations providing that the deduction for a charitable contribution (as defined in section 170(c)) is to be allocated to all of the taxpayer's gross income and apportioned on the basis of income from sources within the United States. The text of the temporary regulations also serves as the text of these proposed regulations. Further, regulations are proposed in this document, without cross-reference to temporary regulations, with respect to deductions for charitable contributions that are provided by an income tax treaty rather than by sections 170, 873(b)(2), and 882(c)(1)(B). This document also provides a notice of public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by October 26, 2004. Outlines of topics to be discussed at the public hearing scheduled for December 2, 2004, at 10 a.m. must be received by November 12, 2004.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-208246-90), Room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-208246-90), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW., Washington, DC or sent electronically, via the IRS Internet site at <http://www.irs.gov/regs> or Federal eRulemaking Portal at <http://www.regulations.gov> (IRS and REG-208246-90). The public hearing will be held in the Auditorium, Internal Revenue Building, 1111 Constitution Ave., NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the withdrawal of the 1991 proposed regulations and the proposed regulations, Teresa Burrige Hughes, (202) 622-3850 (not a toll-free number); concerning the submission of comments, the hearing, and/or placement on the building access list to attend the hearing, Treena Garrett, (202) 622-7180 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background and Explanation of Provisions**

Section 1.861-8(e)(9) provides that the deduction for charitable contributions allowed by sections 170, 873(b)(2), and 882(c)(1)(B) is generally considered as not definitely related to any gross income and therefore is ratably apportioned to all of a taxpayer's gross income. On March 12, 1991, Treasury and the IRS published in the **Federal Register** (56 FR 10395) a notice of proposed rulemaking (INTL-116-90, REG-208246-90) that would have modified the allocation and apportionment of the deduction for charitable contributions. The 1991 proposed regulations generally would have provided for the allocation and apportionment of a deduction for a charitable contribution to sources within or without the United States based on where the contribution was used. Where the deduction for a charitable contribution would not have been allocable to United States or foreign source gross income based on the new test, it would have been ratably apportioned to all gross income. Written comments were received and a public hearing on the 1991 proposed regulations was held on August 1, 1991. In response to comments received, and after further consideration of the issue, the 1991 proposed regulations are withdrawn.

Contemporaneously with the withdrawal of the 1991 proposed

regulations, the Treasury Department and the IRS are issuing a Treasury decision containing temporary regulations that are published in the Rules and Regulations section in this issue of the **Federal Register**. The temporary regulations provide for the allocation and apportionment of the deduction for charitable contributions to U.S. source income. The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations discusses the comments received on the 1991 proposed regulations, the reasons for the withdrawal of the 1991 proposed regulations, and the approach of the temporary regulations.

This document also proposes a rule for the allocation and apportionment of deductions for charitable contributions that are allowed under a U.S. income tax treaty (rather than under sections 170, 873(b)(2), and 882(c)(1)(B)) that limits the amount of the deduction based on a percentage of income that arises from sources within the treaty partner. In such case, these proposed regulations would provide that the deduction is definitely related and allocable to all of the taxpayer's gross income. The deduction would be apportioned between the statutory grouping (or among the statutory groupings) of gross income and the residual grouping on the basis of the relative amounts of gross income from sources within the treaty partner within each grouping. This rule is proposed to be effective for taxable years beginning on or after the date final regulations are published in the **Federal Register**.

**Special Analyses**

It has been determined that this notice of proposed rulemaking 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, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

**Comments and Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8)

copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for December 2, 2004, beginning at 10 a.m. in the IRS Auditorium of the Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For more information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit electronic or written comments by October 26, 2004, and an outline of the topics to be discussed the time to be devoted to each topic (signed original and eight (8) copies) by November 12, 2004. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

**Drafting Information**

The principal author of this document is Teresa Burrige Hughes, Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in its development.

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

Income taxes, Reporting and recordkeeping requirements.

**Withdrawal of a Notice of Proposed Rulemaking**

Under the authority of 26 U.S.C. 7805, § 1.861-8(e) and (g) of the notice of proposed rulemaking (INTL-116-90) published in the **Federal Register** on March 12, 1991, (56 FR 10395) is withdrawn.

**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 is amended by adding an entry in numerical order to read as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 2.** Section 1.861-8(e)(12) is added to read as follows:

**§ 1.861-8 Computation of taxable income from sources within the United States and from other sources and activities.**

\* \* \* \* \*

(e) \* \* \*

(e)(12)(i) and (ii) [The text of the proposed addition of § 1.861-8(e)(12)(i) and (ii) is the same as § 1.861-8T(e)(12)(i) and (ii) published elsewhere in this issue of the **Federal Register**.]

(e)(12)(iii) *Treaty provisions.* (A) *In general.* If a deduction for charitable contributions not otherwise permitted by sections 170, 873(b)(2) and 882(c)(1)(B) is allowed under a U.S. income tax treaty, and such treaty limits the amount of the deduction based on a percentage of income arising from sources within the treaty partner, the deduction is definitely related and allocable to all of the taxpayer's gross income. The deduction allocated under this paragraph (e)(12)(iii) shall be apportioned between the statutory grouping (or among the statutory groupings) of gross income and the residual grouping on the basis of the relative amounts of gross income from sources within the treaty partner within each grouping.

(B) The rules of this paragraph (e)(12)(iii) are applicable for charitable contributions made on or after the date of publication of this document as a final regulation in the **Federal Register**.

(e)(12)(iv)(A) [The text of the proposed addition of § 1.861-8(e)(12)(iv)(A) is the same as § 1.861-8T(e)(12)(iv)(A) published elsewhere in this issue of the **Federal Register**.]

(e)(12)(iv)(B) [Reserved]

**Par. 4.** Section 1.861-14(e)(6) is revised to read as follows:

**§ 1.861-14 Special rules for allocating and apportioning certain expenses (other than interest expense) of an affiliated group of corporations.**

\* \* \* \* \*

(e) \* \* \*

(e)(6) [The text of the proposed revision of § 1.861-14(e)(6) is the same as § 1.861-14T(e)(6) through (e)(6)(ii)(A)

published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 04-17080 Filed 7-27-04; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**32 CFR Parts 21, 22, 25, 32, 33, 34 and 37**

**RIN 0790-AH75**

**DoD Grant and Agreement Regulations**

**AGENCY:** Office of the Secretary, DoD.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Defense (DoD) proposes to amend the DoD Grant and Agreement Regulations (DoDGARs) to implement four Office of Management and Budget (OMB) policy directives, to conform the DoDGARs with several statutory and regulatory revisions, and to make other administrative changes. The four OMB directives that are being implemented: Require Federal agencies to use a new standard format for announcements of funding opportunities; require Federal agencies to electronically post synopses of those announcements at a government-wide Internet site; require government-wide use of the Data Universal Numbering System (DUNS) number as the universal identifier for recipient organizations; and amend OMB Circular A-133 to raise the threshold of Federal funding at which recipients must obtain single audits. The statutory and regulatory changes with which the DoDGARs are being conformed concern matters such as nonprocurement debarment and suspension, drug-free workplace requirements for grants, and campus access for military recruiters and Reserve Officer Training Corps.

**DATES:** Comments are due on or before September 27, 2004.

**ADDRESSES:** Forward comments to ODUSD (LABS), ATTN: Mark Herbst, 3040 Defense Pentagon, Washington, DC 20301-3040.

**FOR FURTHER INFORMATION CONTACT:** Mark Herbst, Office of the Deputy Under Secretary of Defense (Laboratories and Basic Sciences), 3040 Defense Pentagon, Washington, DC 20301-3040.

**SUPPLEMENTARY INFORMATION:** The Department of Defense (DoD) proposes

to update the DoD Grant and Agreement Regulations (DoDGARs), the regulations that provide uniform policies and procedures for DoD Components' award and administration of grants and agreements. The updates involve amendments to seven DoDGARs parts—32 CFR parts 21, 22, 25, 32, 33, 34 and 37. The amendments are needed to conform those parts with government-wide and DoD policy changes and with DoD organizational and administrative changes. The following paragraphs describe the changes addressed by the proposed amendments to the six parts.

*Government-wide standard format for program announcements.* OMB issued a policy directive, "Format for Financial Assistance Program Announcements" [68 FR 37370, June 23, 2003], that requires Federal agencies to use a standard format for announcements of funding opportunities under which discretionary awards of grants or cooperative agreements may be made. The policy directive further requires that announcements, with a few exceptions, be posted on the Internet. The DoD is proposing to revise paragraphs (a), (a)(1) and (2) of 32 CFR 22.315 to implement this OMB policy directive (see proposed amendment number 7 following this preamble).

*Electronic posting of synopses of program announcements.* A second OMB policy directive, "Requirement to Post Funding Opportunity Announcement Synopses at Grants.gov and Related Data Elements/Format" [68 FR 58146, October 8, 2003], requires Federal agencies to post on the Internet a summary of each announcement. The DoD is proposing to revise paragraph (a)(3) of 32 CFR 22.315 to implement this policy directive (see proposed amendment number 7 following this preamble).

*Use of Data Universal Numbering System (DUNS) numbers.* A third OMB policy directive, "Requirement for a DUNS number in Applications for Federal Grants and Cooperative Agreements" [68 FR 38402, June 27, 2003], established the Data Universal Numbering System (DUNS) number as the universal identifier for Federal grant and cooperative agreement applicants and recipients. It states that applications must include the DUNS number and that Federal agency information systems that handle data on grants and cooperative agreements must be able to accept the DUNS number. The DoD is proposing a new section 32 CFR 21.565 to implement the requirement for agency information systems and a revised paragraph (a)(4) in 32 CFR 22.315 to address the requirement for including DUNS numbers in