

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 1.61–21 is amended by revising paragraph (d)(5)(v)(D), adding paragraphs (d)(5)(v)(G) and (H), revising paragraph (e)(1)(iii)(A), revising paragraph (e)(5)(i), and adding paragraphs (e)(5)(vi) and (e)(6), to read as follows:

§ 1.61–21 Taxation of fringe benefits.

* * * * *
(d) * * *
(5) * * *
(v) * * *

(D) *Limitations on use of fleet-average rule.* The rule provided in this paragraph (d)(5)(v) may not be used for any automobile the fair market value of which (determined pursuant to paragraphs (d)(5)(i) through (iv) of this section as of the first date on which the automobile is made available to any employee of the employer for personal use) exceeds \$50,000, as adjusted by section 280F(d)(7). The first such adjustment shall be for calendar year 2019. In addition, the rule provided in this paragraph (d)(5)(v) may only be used for automobiles that the employer reasonably expects will regularly be used in the employer’s trade or business. For rules concerning when an automobile is regularly used in the employer’s business, see paragraph (e)(1)(iv) of this section.

(G) *Transition rule for 2018 and 2019.* Notwithstanding paragraph (d)(5)(v)(B) of this section, an employer that did not qualify to use the fleet-average valuation rule prior to January 1, 2018 with respect to any automobile (including a truck or van) because the fair market value of the vehicle exceeded the inflation-adjusted maximum value requirement of paragraph (d)(5)(v)(D) of this section, as published by the Service in a notice or revenue procedure applicable to the year the vehicle was first made available to any employee of the employer, may adopt the fleet-average valuation rule for 2018 or 2019 with respect to the vehicle, provided the fair market value of the vehicle does not exceed \$50,000 on January 1, 2018, or \$50,400 on January 1, 2019, respectively.

(H) *Applicability date.* Paragraphs (d)(5)(v)(D), and (G) of this section apply to taxable years beginning on or after [INSERT DATE OF PUBLICATION OF THE FINAL RULE IN THE **Federal Register**]. Notwithstanding the first

sentence of this paragraph (d)(5)(v)(H), any taxpayer may choose to apply paragraph (d)(5)(v)(G) of this section beginning on or after January 1, 2018.

* * * * *
(e) * * *
(1) * * *
(iii) * * *

(A) *In general.* The value of the use of an automobile (as defined in paragraph (d)(1)(ii) of this section) may not be determined under the vehicle cents-per-mile valuation rule of this paragraph (e) for a calendar year if the fair market value of the automobile (determined pursuant to paragraphs (d)(5)(i) through (iv) of this section as of the first date on which the automobile is made available to any employee of the employer for personal use) exceeds \$50,000, as adjusted by section 280F(d)(7). The first such adjustment shall be for calendar year 2019.

* * * * *
(5) * * *

(i) *Use of the vehicle cents-per-mile valuation rule by an employer.* An employer must adopt the vehicle cents-per-mile valuation rule of this paragraph (e) for a vehicle to take effect by the first day on which the vehicle is used by an employee of the employer for personal use (or, if the commuting valuation rule of paragraph (f) of this section is used when the vehicle is first used by an employee of the employer for personal use, the first day on which the commuting valuation rule is not used).

(vi) *Transition rule for 2018 and 2019.* For a vehicle first made available to any employee of the employer for personal use before calendar year 2018, if an employer did not qualify under this paragraph (e)(5) to adopt the vehicle cents-per-mile valuation rule on the first day on which the vehicle is used by the employee for personal use because the fair market value of the vehicle exceeded the inflation-adjusted limitation of paragraph (e)(1)(iii), as published by the Service in a notice or revenue procedure applicable to the year the vehicle was first used by the employee for personal use, may first adopt the vehicle cents-per-mile valuation rule for the 2018 or 2019 taxable year, provided the fair market value of the vehicle does not exceed \$50,000 on January 1, 2018, or \$50,400 on January 1, 2019, respectively. Similarly, for a vehicle first made available to any employee of the employer for personal use before calendar year 2018, if the commuting valuation rule of paragraph (f) of this section was used when the vehicle was first used by the employee for personal

use, and the employer did not qualify to switch to the vehicle cents-per-mile valuation rule of this paragraph (e) on the first day on which the commuting valuation rule of paragraph (f) of this section was not used because the vehicle had a fair market value in excess of the inflation-adjusted limitation of paragraph (e)(1)(iii) of this section, as published by the Service in a notice or revenue procedure applicable to the year the commuting valuation rule was first not used, the employer may adopt the vehicle cents-per-mile valuation rule for the 2018 or 2019 taxable year, provided the fair market value of the vehicle does not exceed \$50,000 on January 1, 2018, or \$50,400 on January 1, 2019, respectively. However, in accordance with paragraph (e)(5)(ii) of this section, an employer that adopts the vehicle cents-per-mile valuation rule pursuant to this paragraph (e)(5)(vi) must continue to use the rule for all subsequent years in which the vehicle qualifies for use of the rule, except that the employer may, for any year during which use of the vehicle qualifies for the commuting valuation rule of paragraph (f) of this section, use the commuting valuation rule with regard to the vehicle.

(6) *Applicability date.* Paragraphs (e)(1)(iii)(A) and (e)(5)(i), and (vi) of this section apply to taxable years beginning on or after [INSERT DATE OF PUBLICATION OF THE FINAL RULE IN THE **Federal Register**]. Notwithstanding the first sentence of this paragraph (e)(6), any taxpayer may choose to apply paragraph (e)(5)(vi) of this section beginning on or after January 1, 2018.

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Kirsten Wielobob,
Deputy Commissioner for Services and Enforcement.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–105476–18]

RIN 1545–BO60

Withholding of Tax and Information Reporting With Respect to Interests in Partnerships Engaged in the Conduct of a U.S. Trade or Business; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document cancels a public hearing on proposed regulations to implement certain sections of the Internal Revenue Code, including sections added to the Internal Revenue Code by the Tax Cuts and Jobs Act, that relate to the withholding of tax and information reporting with respect to certain dispositions of interests in partnerships engaged in the conduct of a trade or business within the United States.

DATES: The public hearing, originally scheduled for August 26, 2019 at 10:00 a.m. is cancelled.

FOR FURTHER INFORMATION CONTACT: Regina Johnson, Publications and Regulations Specialist at (202) 317-6901 (not a toll-free number).

ADDRESSES: The cancelled hearing was originally scheduled to be held at the Internal Revenue Service Building, 1111 Constitution Avenue NW, Washington, DC 20224.

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking and notice of public hearing that appeared in the *Federal Register* on Wednesday, July 24, 2019 (84 FR 35581) announced that a public hearing was scheduled August 26, 2019 at 10:00 a.m. in the IRS Auditorium, Internal Revenue Service Building, 1111 Constitution Avenue NW, Washington, DC. The subject of the public hearing is under section 1446 of the Internal Revenue Code.

The public comment period for these regulations expired on August 8, 2019. The notice of proposed rulemaking and notice of hearing instructed those interested in testifying at the public hearing to submit an outline of the topics to be discussed. The outline of topics to be discussed was due by August 8, 2019. As of August 8, 2019, no one has requested to speak. Therefore, the public hearing scheduled for August 26, 2019 at 10:00 a.m. is cancelled.

Martin V. Franks,

Branch Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG-2019-0634]

RIN 1625-AA08

Special Local Regulation; North Atlantic Ocean, Ocean City, MD

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to establish special local regulations for certain waters of the North Atlantic Ocean. This action is necessary to provide for the safety of life on these navigable waters located at Ocean City, MD, during a high-speed power boat racing event on September 29, 2019. This proposed rulemaking would prohibit persons and vessels from being in the regulated area unless authorized by the Captain of the Port Maryland-National Capital Region or Coast Guard Patrol Commander. We invite your comments on this proposed rulemaking. **DATES:** Comments and related material must be received by the Coast Guard on or before September 9, 2019.

ADDRESSES: You may submit comments identified by docket number USCG-2019-0634 using the Federal eRulemaking Portal at <https://www.regulations.gov>. See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Mr. Ron Houck, U.S. Coast Guard Sector Maryland-National Capital Region; telephone 410-576-2674, email Ronald.L.Houck@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
PATCOM Coast Guard Patrol Commander
§ Section
U.S.C. United States Code

II. Background, Purpose, and Legal Basis

OPA Racing LLC of Brick Township, NJ, notified the Coast Guard through submission of a marine event application that this year's Ocean City Grand Prix would be held on a different

date this year from the date published in the Code of Federal Regulations (CFR) at Table to 33 CFR 100.501 at (b.)19. The estimated date for this annual event listed in the regulation is either the first or second Saturday or Sunday of May, or the second or third Saturday and Sunday of September. This year, the Ocean City Grand Prix is being held on September 29, 2019, or the fourth Sunday of September. The high-speed power boat racing consists of approximately 35 participating offshore race boats of various classes, 21 to 50 feet in length, operating along a designated, marked racetrack-type course located in the North Atlantic Ocean, at Ocean City, MD. Hazards from the power boat racing event include participants operating near a designated navigation channel, as well as injury to persons and damage to property that involve vessel mishaps during high-speed power boat races conducted on navigable waters located near the shoreline. The Captain of the Port (COTP) Maryland-National Capital Region has determined that potential hazards associated with the power boat races would be a safety concern for anyone intending to participate in this event or for vessels that operate within specified waters of the North Atlantic Ocean at Ocean City, MD.

The purpose of this rulemaking is to protect event participants, spectators and transiting vessels on certain waters of the North Atlantic Ocean at Ocean City, MD before, during, and after the scheduled event. The Coast Guard proposes this rulemaking under authority in 46 U.S.C. 70041, which authorizes the Coast Guard to establish and define special local regulations.

III. Discussion of Proposed Rule

The COTP Maryland-National Capital Region proposes to establish special local regulations from 8:30 a.m. through 5:30 p.m. on September 29, 2019. There is no alternate date planned for this event. The regulated area would cover all navigable waters of the North Atlantic Ocean, within an area bounded by the following coordinates: commencing at a point near the shoreline at latitude 38°21'42" N, longitude 075°04'11" W, thence east to latitude 38°21'33" N, longitude 075°03'10" W, thence southwest to latitude 38°19'25" N, longitude 075°04'02" W, thence west to the shoreline at latitude 38°19'35" N, longitude 075°05'02" W, at Ocean City, MD. The regulated area is approximately 4,500 yards in length and 1,600 yards in width.

This proposed rule provides additional information about areas