(g) * * *

(2) *Liability for tax*—(i) *Liability of the blender.* The blender is liable for the tax imposed under paragraph (g)(1) of this section.

(ii) *Liability of seller of untaxed liquid.* On and after April 2, 2003, a person that sells any liquid that is used to produce blended taxable fuel is jointly and severally liable for the tax imposed under paragraph (g)(1) of this section on the removal or sale of that blended taxable fuel if the liquid—

(A) Is described in § 48.4081–1(c)(1)(i)(B) (relating to liquids on which tax has not been imposed under section 4081); and

(B) Is sold by that person as gasoline, diesel fuel, or kerosene that has been taxed under section 4081.

(3) *Examples.* The following examples illustrate the provisions of this paragraph (g) and the definitions of *blended taxable fuel* and *diesel fuel* in § 48.4081–1(c):

Example 1. (i) *Facts.* W is a wholesale distributor of petroleum products and R is a retailer of petroleum products. W sells to R 1,000 gallons of an untaxed liquid (a liquid described in § 48.4081–1(c)(1)(i)(B)) and delivers the liquid into a storage tank (tank) at R's retail facility. However, W's invoice to R states that the liquid is undyed diesel fuel. At the time of the delivery, the tank contains 4,000 gallons of undyed diesel fuel, a taxable fuel that has been taxed under section 4081. The resulting 5,000 gallon mixture is suitable for use as a fuel in a diesel-powered highway vehicle because it has practical and commercial fitness for use in the propulsion engine of a diesel-powered highway vehicle. The mixture does not satisfy the dyeing requirements of § 48.4082–1. R sells the mixture from the tank to a construction company for off-highway business use.

(ii) *Analysis*—(A) *Production of blended taxable fuel.* R is a blender within the meaning of § 48.4081–1 because R has produced blended taxable fuel, as defined in § 48.4081–1, by mixing 1,000 gallons of a liquid that has not been taxed under section 4081 with 4,000 gallons of diesel fuel that has been taxed under section 4081. The mixing occurs outside of the bulk transfer/terminal system and the resulting product is diesel fuel because it is suitable for use as a fuel in a diesel-powered highway vehicle.

(B) *Imposition of tax.* Under paragraph (g)(1) of this section, tax is imposed on R's sale of the 5,000 gallons of blended taxable fuel to the construction company. Even though the blended taxable fuel is sold for off-highway business use, which is a nontaxable use as defined in section 4082(b), the sale is not exempt from tax because the blended taxable fuel does not satisfy the dyeing requirements of § 48.4082–1. Tax is computed on 1,000 gallons, which is the difference between the number of gallons of blended taxable fuel R sells (5,000) and the number of gallons of previously taxed taxable fuel used to produce the blended taxable fuel (4,000).

(C) *Liability for tax.* R, as the blender, is liable for this tax under paragraph (g)(2)(i) of this section. W is jointly and severally liable for this tax under paragraph (g)(2)(ii) of this section because the blended taxable fuel is produced using an untaxed liquid that W sold as undyed diesel fuel (that is, as diesel fuel that was taxed under section 4081).

Example 2. (i) *Facts.* W, a wholesale distributor of petroleum products, buys 7,000 gallons of diesel fuel at a terminal rack. The diesel fuel is delivered into a tank trailer. Tax is imposed on the diesel fuel under § 48.4081–2 when the diesel fuel is removed at the rack. W then goes to another location where X, the operator of a chemical plant, sells W 1,000 gallons of an untaxed liquid (a liquid described in § 48.4081–1(c)(1)(i)(B)). However, X's invoice to W states that the liquid is undyed diesel fuel. This liquid is delivered into the tank trailer already containing the 7,000 gallons of diesel fuel. The resulting 8,000 gallon mixture is suitable for use as a fuel in a diesel-powered highway vehicle because it has practical and commercial fitness for use in the propulsion engine of a diesel-powered highway vehicle. The mixture does not satisfy the dyeing requirements of § 48.4082–1. W sells the mixture to R, a retailer of petroleum products, and delivers the mixture into a storage tank at R's retail facility. R sells the mixture to its customers.

(ii) *Analysis*—(A) *Production of blended taxable fuel.* W is a blender within the meaning of § 48.4081–1 because W has produced blended taxable fuel, as defined in § 48.4081–1, by mixing 1,000 gallons of a liquid that has not been taxed under section 4081 with 7,000 gallons of diesel fuel that has been taxed under section 4081. The mixing occurs outside of the bulk transfer/terminal system and the resulting product is diesel fuel because it is suitable for use as a fuel in a diesel-powered highway vehicle. Thus, R has bought blended taxable fuel.

(B) *Imposition of tax.* Under paragraph (g)(1) of this section, tax is imposed on W's sale of the 8,000 gallons of blended taxable fuel to R. Tax is computed on 1,000 gallons, which is the difference between the number of gallons of blended taxable fuel W sells (8,000) and the number of gallons of previously taxed taxable fuel used to produce the blended taxable fuel (7,000). No tax is imposed on R's subsequent sale of the blended taxable fuel because tax is imposed only with respect to a removal or sale by the blender.

(C) *Liability for tax.* W, as the blender, is liable for this tax under paragraph (g)(2)(i) of this section. X is jointly and severally liable for this tax under paragraph (g)(2)(ii) of this section because the blended taxable fuel is produced using an untaxed liquid that X sold as undyed diesel fuel (that is, as diesel fuel that was taxed under section 4081). R has no liability for tax because R is not a blender and did not sell any untaxed liquid as a taxed taxable fuel. R only sold taxed taxable fuel, the blended taxable fuel bought from W.

* * * * *

§ 48.6427–8 [Amended]

■ 7. Section 48.6427–8, paragraph (d), introductory text, is amended by adding ''or kerosene'' after ''diesel fuel''.

PART 49—FACILITIES AND SERVICES EXCISE TAXES

■ 8. The authority citation for part 49 continues to read in part as follows:

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

§ 49.4291–1 [Amended]

■ 9. Section 49.4291–1 is amended as follows:

■ a. The language ''district director'' is removed in the three places it appears and ''Commissioner'' is added in its place.

■ b. In the fourth sentence, the language ''same district conference'' is removed and ''same conference'' is added in its place.

David A. Mader,

Assistant Deputy Commissioner of Internal Revenue.

Approved: March 7, 2003.

Pamela F. Olson,

Assistant Secretary of the Treasury.

[FR Doc. 03–7812 Filed 4–1–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 602

[TD 9046]

RIN 1545–AX81; 1545–BB49; 1545–BB50; 1545–BB48; 1545–BB53; 1545–BB51; 1545–BB52; 1545–AW26; 1545–AX79

Tax Shelter Regulations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains corrections to final regulations (TD 9046) which were published in the **Federal Register** on Tuesday, March 4, 2003 (68 FR 10161), relating to tax shelter regulations.

DATES: This correction is effective March 4, 2003.

FOR FURTHER INFORMATION CONTACT: Tara P. Volungis or Charlotte Chyr at (202) 622–3070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to these corrections are under sections 6011(a), 6111(d) and 6112 of the Internal Revenue Code.

Need for correction

As published, final regulations (TD 9046) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

■ Accordingly, the publication of final regulations (TD 9046), which was the subject of FR Doc. 03–4958, is corrected as follows:

§ 602.101 [Corrected]

■ 1. On page 10178, column 2, in the first table under § 602.101(b), the entry for 301.6112–1T in the table is corrected by removing the OMB number ''1545–1686'' and adding new OMB numbers to read as follows:

* * * * *

(b) * * *

CFR part or section where identifed and described	Current OMB control No.
* * * * *	
301.6112–1T	1545–0865 1545–1686
* * * * *	

■ 2. On page 10178, column 2, in the second table under § 602.101(b), the entry for 301.6112–1 in the table is corrected by removing the OMB number ''1545–1686'' and adding new OMB numbers to read as follows:

* * * * *

(b) * * *

CFR part or section where identified and described	Current OMB control No.
* * * * *	
301.6112–1	1545–0865 1545–1686
* * * * *	

Cynthia E. Grigsby,

Chief, Regulations Unit, Associate Chief Counsel, (Procedure & Administration).

[FR Doc. 03–7733 Filed 4–01–03; 8:45 am]

BILLING CODE 4830–01–M

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD07–02–077]

RIN 1625–AA09

Drawbridge Operation Regulations; Coronado Beach Bridge (SR 44), Intracoastal Waterway, New Smyrna Beach, FL

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is changing the regulations governing the operation of the Coronado Beach bridge (SR44), Intracoastal Waterway, mile 845, New Smyrna Beach, Florida. This rule requires the bridge to open on signal, except that from 7 a.m. until 7 p.m., each day of the week, the bridge need only open on the hour, twenty minutes past the hour and forty minutes past the hour. This action is intended to improve movement of vehicular traffic while not unreasonably interfering with the movement of vessel traffic.

DATES: This rule is effective May 2, 2003.

ADDRESSES: Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket [CGD7–02–077] and are available for inspection or copying at Commander (obr) Seventh Coast Guard District, 909 SE 1st Ave, Miami, Florida 33131 between 7:30 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mr. Barry Dragon, Project Manager, Seventh Coast Guard District, Bridge Branch, (305) 415–6743.

SUPPLEMENTARY INFORMATION:

Regulatory Information

On August 7, 2002, we published a notice of proposed rulemaking (NPRM) entitled Drawbridge Operation Regulations; Coronado Beach Bridge (SR 44), Intracoastal Waterway, New Smyrna Beach, Florida in the **Federal Register** (67 FR 51157). We received twenty-four letters commenting on the proposed rule. No public hearing was requested, and none was held.

Background and Purpose

On behalf of the City of New Smyrna Beach, the New Smyrna Beach Police Chief requested a change in regulations governing the operation of the Coronado Beach bridge (SR44) to ease vehicle traffic congestion on the causeway approaching the bridge and surrounding beachside intersections and roadways. The Coronado Beach bascule bridge is part of a two-lane, narrow, undivided arterial roadway. This roadway is severely congested due to insufficient vehicular capacity and year round tourism. The existing regulation for this bridge is published in 33 CFR 117.5 and requires the bridge to open on signal. The bridge has a vertical clearance of 24 feet at mean high water and a horizontal clearance of 90 feet. This rule will facilitate vehicle traffic by placing the bridge on a predictable 20-minute opening schedule from 7 a.m. until 7 p.m., each day of the week.

Discussion of Comments and Changes

We received twenty-four letters concerning the proposed rule. Twenty-two of the letters supported the proposal. One letter from a commercial fisherman requested that a fifteen-minute schedule be adopted for weekdays and that the bridge open on signal for weekends, with exceptions for U.S. documented vessels with Coast Guard fishery and commercial towing endorsements, and emergency and Coast Guard vessels when the bridge should open on signal. One letter from the American Canadian Caribbean Line, Inc., requested that scheduled passenger vessels be exempt from the twenty-minute schedule.

We have carefully considered the comments and decided not to change the proposed rule. We do not believe that a five-minute difference in scheduled bridge openings will significantly impact vessel traffic and the proposed rule meets the reasonable needs of navigation in the waterways surrounding the bridge. The Coast Guard does not believe there is a sufficient basis for excluding vessels with Coast Guard fishery and commercial towing endorsements from the twenty-minute schedule. Additionally, the weekend vessel traffic does not increase significantly while the vehicular traffic actually increases; therefore, the twenty-minute schedule is warranted for weekends too. Regularly scheduled passenger vessels should have no difficulties timing their departure to make one of the twenty-minute bridge openings.

Regulatory Evaluation

This rule is not a ''significant regulatory action'' under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and