

(d) \* \* \*

(3) *Limitations.* Animals intended for human consumption must not be slaughtered within 38 days of treatment. This drug product is not approved for use in female dairy cattle 20 months of age or older, including dry dairy cows. Use in these cattle may cause drug residues in milk and/or in calves born to these cows. A withdrawal period has not been established in preruminating calves. Do not use in calves to be processed for veal. Federal law restricts this drug to use by or on the order of a licensed veterinarian.

■ 12. Add § 522.2473 to read as follows:

**§ 522.2473 Tiludronate.**

(a) *Specifications.* Each vial of powder contains 500 milligrams (mg) tiludronate disodium. Each milliliter of constituted solution contains 20 mg tiludronate disodium.

(b) *Sponsor.* See No. 013744 in § 510.600(c) of this chapter.

(c) *Conditions of use in horses—(1) Amount.* Administer a single dose of 1 mg per kilogram (0.45 mg/pound) of body weight by intravenous infusion.

(2) *Indication for use.* For the control of clinical signs associated with navicular syndrome.

(3) *Limitations.* Do not use in horses intended for human consumption. Federal law restricts this drug to use by or on the order of a licensed veterinarian.

**PART 526—INTRAMAMMARY DOSAGE FORM NEW ANIMAL DRUGS**

■ 13. The authority citation for 21 CFR part 526 continues to read as follows:

*Authority:* 21 U.S.C. 360b.

■ 14. In § 526.313, remove paragraph (d); redesignate paragraph (e) as paragraph (d); and revise newly redesignated paragraphs (d)(1)(iii) and (d)(2)(iii) to read as follows:

**§ 526.313 Ceftiofur.**

\* \* \* \* \*

(d) \* \* \*

(1) \* \* \*

(iii) *Limitations.* Milk taken from cows during treatment (a maximum of eight daily infusions) and for 72 hours after the last treatment must not be used for human consumption. Following label use for up to 8 consecutive days, a 2-day preslaughter withdrawal period is required. Federal law restricts this drug to use by or on the order of a licensed veterinarian. Federal law prohibits extra-label use of this drug in lactating dairy cattle for disease prevention purposes; at unapproved doses; frequencies, durations, or routes

of administration; and in unapproved major food producing species/production classes.

(2) \* \* \*

(iii) *Limitations.* Milk taken from cows completing a 30-day dry-off period may be used for food with no milk discard due to ceftiofur residues. Following intramammary infusion, a 16-day preslaughter withdrawal period is required for treated cows. Following label use, no preslaughter withdrawal period is required for neonatal calves from treated cows regardless of colostrum consumption. Federal law restricts this drug to use by or on the order of a licensed veterinarian. Federal law prohibits extra-label use of this drug in dry dairy cattle for disease prevention purposes; at unapproved doses; frequencies, durations, or routes of administration; and in unapproved major food producing species/production classes.

**PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS**

■ 15. The authority citation for 21 CFR part 558 continues to read as follows:

*Authority:* 21 U.S.C. 360b, 371.

**§ 558.261 [Amended]**

■ 16. In § 558.261, in paragraph (e)(2)(ii), in the “Limitations” column, remove “10 mg florfenicol” and in its place add “10 to 15 mg florfenicol”; and in paragraph (e)(2)(iii), in the “Limitations” column, remove “10 mg florfenicol per kg of fish for”.

**§ 558.550 [Amended]**

■ 17. In § 558.550, in paragraph (d)(1)(i)(c), remove “layers” and in its place add “laying hens producing eggs for human consumption”; and add at the end of paragraph (d)(2)(i)(c), “Do not feed to laying hens producing eggs for human consumption.”

Dated: March 27, 2014.

**Bernadette Dunham,**

*Director, Center for Veterinary Medicine.*

[FR Doc. 2014-07220 Filed 3-31-14; 8:45 am]

**BILLING CODE 4160-01-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9644]

RIN 1545-BK44

**Net Investment Income Tax; Correction**

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

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains corrections to final regulations (TD 9644) that were published in the **Federal Register** on Monday, December 2, 2013 (78 FR 72394). The final regulations provide guidance on the general application of the Net Investment Income Tax and the computation of Net Investment Income. **DATES:** This correction is effective April 1, 2014 and applicable December 2, 2013.

**FOR FURTHER INFORMATION CONTACT:** Adrienne M. Mikolashek, at (202) 317-6852 (not a toll free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9644) that are the subject of this correction is under section 1411 of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9644) contain errors that may prove to be misleading and are in need of clarification.

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

Income taxes, Reporting and recordkeeping requirements.

**Correction of Publication**

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

**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 1.469-11 is amended by revising the first sentence of paragraph (b)(3)(iv)(C)(1) and the last sentence of paragraph (b)(3)(iv)(C)(3) *Example 4.* to read as follows:

**§ 1.469-11 Effective date and transition rules.**

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(iv) \* \* \*

(C) \* \* \* (1) \* \* \* An individual,

estate, or trust also may regroup activities, in the manner described in paragraph (b)(3)(iv)(A) of this section, on an amended return only if the changes reported on such amended return cause the taxpayer to meet the Eligibility Criteria for the first time beginning in the taxable year for which the amended return is applicable and that the taxable year is not closed by the

period of limitations on assessments under section 6501. \* \* \*

\* \* \* \* \*

(3) \* \* \*

Example 4. \* \* \* Third, Y may file an original or an amended return to regroup in a manner different from groupings in effect prior to Year 1 and different from the Year 1 groupings (for example, Y could choose to group Activity C and D into a single activity, thus causing Y to have two groups; Group A-B and Group C-D).

\* \* \* \* \*

■ Par. 3. Section 1.1411-0 is amended by revising the entries in the table of contents for § 1.1411-3(c)(2)(ii) and (iii) to read as follows:

§ 1.1411-0 Table of contents of provisions applicable to section 1411.

\* \* \* \* \*

§ 1.1411-3 Application to Estates and Trusts.

\* \* \* \* \*

(c) \* \* \*

(2) \* \* \*

(ii) Step two.

(iii) Step three.

\* \* \* \* \*

■ Par. 4. Section 1.1411-2 is amended by revising the first sentence of paragraph (b)(2) to read as follows:

§ 1.1411-2 Application to individuals.

\* \* \* \* \*

(b) \* \* \*

(2)

Example. During Year 1 (a year in which section 1411 is in effect), A, an unmarried United States citizen, has modified adjusted gross income (as defined in paragraph (c) of this section) of \$190,000, which includes \$50,000 of net investment income. \* \* \*

\* \* \* \* \*

■ Par. 5. Section 1.1411-3 is amended by revising the second sentence of paragraph (c)(3)(ii)(A) and the first sentence of paragraph (c)(3)(iii)(B) to read as follows:

§ 1.1411-3 Application to estates and trusts.

\* \* \* \* \*

(c) \* \* \*

(3) \* \* \*

(ii) \* \* \* (A) \* \* \* The undistributed net investment income for the S portion is \$27,600 and is determined as follows:

\* \* \* \* \*

(iii) \* \* \*

(B) The adjusted gross income for the ESBT is \$40,000 and is determined as follows: \* \* \*

\* \* \* \* \*

■ Par. 6. Section 1.1411-4 is amended as follows:

■ 1. The first sentence of paragraph (d)(4)(i)(C) Example 2. (i) is revised.

■ 2. The language “deduction” in the last sentence of paragraph (f)(2)(v)

Example 1. (iv) is removed and “deductions” is added in its place.

■ 3. The language “A” in the third sentence of paragraph (f)(2)(v) Example 2. (iii) is removed and “A’s” is added in its place.

■ 4. Paragraph (f)(3)(iii) is revised.

■ 5. The language “§ 1.171-2T(a)(4)(i)(C)” in paragraph (f)(3)(vii) is removed and “§ 1.171-2(a)(4)(i)(C)” is added in its place.

■ 6. The second sentence of paragraph (f)(4)(ii) Example 1. (iii) is revised.

■ 7. The language “one or more” in paragraph (g)(7)(i) introductory text is removed and “a” is added in its place.

■ 8. The language “activities” in paragraph (g)(7)(i) introductory text is removed and “activity” is added in its place.

■ 9. Paragraph (h)(2) introductory text is revised.

■ 10. The language “.2” in paragraph (h)(5) Example 1. (ii) is removed and added in its place “.0.2”.

The revisions read as follows:

§ 1.1411-4 Definition of net investment income.

\* \* \* \* \*

(d) \* \* \*

(4) \* \* \*

(i) \* \* \*

(C) \* \* \*

Example 2. \* \* \* (i) PRS, a partnership for Federal income tax purposes, operates an automobile dealership. \* \* \*

\* \* \* \* \*

(f) \* \* \*

(3) \* \* \*

(iii) Taxes described in section 164(a)(3). State, local, and foreign income, war profits, and excess profit taxes described in section 164(a)(3) that are allocable to net investment income pursuant to paragraph (g)(1) of this section. Except to the extent specifically expected from section 275(a)(4), foreign income, war profits, and excess profit taxes are not allowed as deductions under section 164(a)(3) in determining net investment income if the taxpayer claims the benefit of the foreign tax credit under section 901 with respect to the same taxable year. For rules applicable to refunds of taxes described in this paragraph, see paragraph (g)(2) of this section.

\* \* \* \* \*

(4) \* \* \*

(ii) \* \* \*

Example 1. \* \* \* (iii) \* \* \* Pursuant to paragraph (d) of this section, A takes into account the \$60,000 at ordinary loss from PRS and the \$50,000 of long term capital gain in the computation of A’s net gain. \* \* \*

\* \* \* \* \*

(h) \* \* \*

(2) Applicable portion of a net operating loss. In any taxable year beginning after December 31, 2012, in which a taxpayer incurs a net operating loss, the applicable portion of such loss is the lesser of:

\* \* \* \* \*

■ Par. 7. Section 1.1411-5 is amended by revising paragraph (b)(2)(i) and (b)(2)(iii) to read as follows:

§ 1.1411-5 Trades or businesses to which tax applies.

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \* (i) Income and gain recharacterization. To the extent that any income or gain from a trade or business is recharacterized as “not from a passive activity” by reason of § 1.469-2T(f)(2), § 1.469-2(f)(5), or § 1.469-2(f)(6), such trade or business does not constitute a passive activity within the meaning of paragraph (b)(1)(ii) of this section solely with respect to such recharacterized income or gain.

\* \* \* \* \*

(iii) Exception for certain portfolio recharacterizations. To the extent that any income or gain from a trade or business is recharacterized as “not from a passive activity” and is further characterized as portfolio income under § 1.469-2(f)(10) or § 1.469-2(c)(2)(iii)(F), then such trade or business constitutes a passive activity within the meaning of paragraph (b)(1)(ii) of this section solely with respect to such recharacterized income or gain.

\* \* \* \* \*

■ Par. 8. Section 1.1411-10 is amended as follows:

■ 1. Revise paragraph (c)(5)(i)(B).

■ 2. In paragraph (h) Example 2. (ii)(A), revise the first sentence.

The revisions read as follows:

§ 1.1411-10 Controlled foreign corporations and passive foreign investment companies.

\* \* \* \* \*

(c) \* \* \*

(5) \* \* \*

(i) \* \* \*

(B) Decreasing the amount of investment income determined for chapter 1 purposes under section 163(d)(4)(B) by the amount included in gross income for chapter 1 purposes under section 951(a) or section 1293(a) that is attributable to a CFC or QEF with respect to which an election under paragraph (g) of this section is not in effect; and

\* \* \* \* \*

(h) \* \* \*

Example 2. \* \* \*

(ii) \* \* \* (A) In 2016, A does not include the \$15,000 section 951(a)(1)(A) income inclusion in A's net investment income under section 1411(c)(1)(A)(i) and § 1.1411-1(a)(1)(i). \* \* \*

\* \* \* \* \*

**Martin V. Franks,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).*

[FR Doc. 2014-07160 Filed 3-31-14; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1 and 602

[TD 9644]

RIN 1545-BK44

#### Net Investment Income Tax; Correction

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

**ACTION:** Final regulations; correction

**SUMMARY:** This document contains corrections to final regulations (TD 9644) that were published in the **Federal Register** on Monday, December 2, 2013 (78 FR 72394). The final regulations provide guidance on the general application of the Net Investment Income Tax and the computation of Net Investment Income. **DATES:** This correction is effective April 1, 2014 and applicable December 2, 2013.

**FOR FURTHER INFORMATION CONTACT:** Adrienne M. Mikolashek, at (202) 317-6852 (not a toll free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The final regulations (TD 9644) that are the subject of this correction is under section 1411 of the Internal Revenue Code.

##### Need for Correction

As published, the final regulations (TD 9644) contain errors that may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the final regulations (TD 9644), that are the subject of FR Doc. 2013-28410, are corrected as follows:

1. On page 72399, first column, in the preamble, ninth line of the first full paragraph, the language “provides that the section 1411 is applied” is corrected to read “provides that section 1411 is applied”.

2. On page 72405, second column, in the preamble, twelfth line from the top

of the page, the language “1411(c)(1)(A)(i). See part 5.b.ii.a of this” is corrected to read “1411(c)(1)(A)(i). See part 5.b.ii.a. of this”.

3. On page 72405, second column, in the preamble, fifteenth line from the top of the page, the language “purpose of section 1411” is corrected to read “purposes of section 1411”.

4. On page 72406, first column, in the preamble, sixteenth line from the top of the page, the language “1411(c)(1)(a)(iii)” is corrected to read “1411(c)(1)(A)(iii)”.

5. On page 72406, third column, in the preamble, fourth line from the bottom of the page, the language “Described in Section 1411(C)(1)(b)” is corrected to read “Described in Section 1411(c)(1)(B)”.

6. On page 72407, first column, in the preamble, fifteenth line from the bottom of the page, the language “trades or business, rents, and royalties,” is corrected to read “trades or businesses, rents, and royalties.”

7. On page 72409, first column, in the preamble, twelfth line of the first full paragraph, the language “reasonable methods may lead to” is corrected to read “reasonable methods may lead”.

8. On page 72411, second column, in the preamble, twentieth line of the first full paragraph, the language “considered passive activity. However,” is corrected to read “considered a passive activity. However,”.

9. On page 72412, second column, in the preamble, seventh and the eighth lines of the first full paragraph, the language “participates in rental real estate activities for more than 500 hours per” is corrected to read “participates in a rental real estate activity for more than 500 hours per”.

10. On page 72412, second column, in the preamble, thirteenth and fourteenth lines of the second full paragraph, the language “taxpayer has participated in rental real estate activities for more than 500 hours” is corrected to read “taxpayer has participated in a rental real estate activity for more than 500 hours”.

11. On page 72415, first column, in the preamble, ninth line from the top of the page, the language “469(e)(1)(A) by § 1.469-2T(f)(10). In the” is corrected to read “469(e)(1)(A) by § 1.469-2(f)(10). In the”.

12. On page 72415, first column, in the preamble, eighteenth line from the bottom of the page, the language “covered by § 1.469-2T(f)(10) and” is corrected to read “covered by § 1.469-2(f)(10) and”.

13. On page 72420, second column, in the preamble, third line of the first full

paragraph, the language “election under § 1.1411-10(g) election” is corrected to read “election under § 1.1411-10(g)”.

**Martin V. Franks,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).*

[FR Doc. 2014-07162 Filed 3-31-14; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### 32 CFR Part 156

[DOD-2008-OS-0160]

RIN 0790-AI42

#### Department of Defense Personnel Security Program (PSP)

**AGENCY:** Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** This rule updates policies and responsibilities for the Department of Defense (DoD) Personnel Security Program (PSP) in accordance with the provisions of current U.S. Code, Public Laws, and Executive Orders (E.O.). This rule establishes policy and assigns responsibilities related to the operation of the DoD PSP, including investigative and adjudicative policy for determining eligibility to hold a national security position. This rule also establishes investigative and adjudicative policy for the Department's personal identity verification (PIV) credential.

**DATES:** *Effective Date:* This rule is effective May 1, 2014.

**FOR FURTHER INFORMATION CONTACT:** Dr. Kelly Buck, (703) 604-1130.

#### SUPPLEMENTARY INFORMATION:

##### Executive Summary

##### I. Purpose and Legal Authority for This Rule

This rule updates policies, assigns responsibilities, and prescribes procedures for the Department of Defense (DoD) Personnel Security Program (PSP) in accordance with the provisions of current U.S. Code, Public Laws, and Executive Orders (E.O.). This rule establishes PSP policy related to the operation of the DoD PSP, including investigative and adjudicative policy for determining eligibility to hold national security positions. This rule also establishes Homeland Security Presidential Directive (HSPD)-12 investigative and adjudicative policy for the Department's personal identity verification (PIV) credential. Legal authorities for this rule are E.O. 12968,