amount realized over the adjusted basis of such share. If the adjusted basis should equal or exceed the amount realized on the sale or exchange of a certain share of stock, bond, etc., there would be no gross receipts resulting from the sale of such security. Losses on sales or exchanges of stock or securities do not offset gains on the sales or exchanges of other stock or securities for purposes of computing gross receipts from such sales or exchanges. Gross receipts from the sale or exchange of stock and securities include gains received from such sales or exchanges by a corporation even though such corporation is a regular dealer in stocks and securities. However, gross receipts do not include certain amounts which are treated under section 331 (relating to corporate liquidations) as payments in exchange for stock (see subdivision (xi) of this subparagraph). For the meaning of the term "stock or securities", see paragraph (b) (5) (i) of § 1.543-1.

(xi) *Amounts which are treated under section 331 as payments in exchange for stock*—(a) *In general.* (*1*) For purposes of section 1372(e)(5), gross receipts derived from sales or exchanges of stock or securities shall not include amounts received by an electing small business corporation which are treated under section 331 (relating to corporate liquidations) as payments in exchange for stock where the electing small business corporation was, on the date of the first distribution or transfer of such amounts to the small business corporation with respect to such liquidation, the owner of more than 50 percent of each class of the stock of the liquidating corporation. For purposes of this subdivision, the 50-percent requirement shall apply with respect to a class of stock whether or not the class of stock has voting rights. Shares of stock of the liquidating corporation held by a shareholder of the electing small business corporation shall not be attributed to the electing corporation.

(*2*) The provisions of (*a*)(*1*) of this subdivision shall apply to—

(*i*) taxable years of the corporation ending after January 12, 1971, and

(*ii*) any taxable year of the corporation ending before October 7, 1970, with respect to which an election is made under (*b*)(*2*) of this subdivision to apply the rules of (*a*)(*1*) of this subdivision, provided that the requirements of (*b*) (and (*c*) if applicable) of this subdivision are satisfied.

The provisions of (*a*)(*1*) of this subdivision shall not apply to taxable years of corporations ending between October 7, 1970, and January 12, 1971, inclusive.

(*b*) *Taxable years ending before October 7, 1970.* The provisions of (*a*)(*1*) of this subdivision shall apply with respect to any taxable year of an electing small business corporation ending before October 7, 1970, if—

(*1*) On October 7, 1970, the making of a refund or the allowance of a credit to the corporation is not prevented by any law or rule of law, and

(*2*) On or before January 12, 1972, the corporation elects to have the provisions of (*a*)(*1*) of this subdivision apply, and all persons (or their personal representatives) who were shareholders of such corporation at any time during any taxable year beginning with the first taxable year to which this (*b*) of this subdivision applies and ending on or before January 12, 1971, consent to such election and to the application of the provisions of (*a*)(*1*) of this subdivision.

If the assessment of any deficiency in income tax resulting from an election under (*b*)(*2*) of this subdivision for a taxable year ending before the date of the election is prevented before the expiration of one year after the date of the election by any law or rule of law, the deficiency may be assessed at any time prior to the expiration of such one-year period notwithstanding any law or rule of law which would otherwise prevent the assessment. The deficiency assessment is not to be barred by any statute of limitations, even if the period of limitations has expired at the time the election is made, or by a prior court decision as to the taxpayers' income tax liability for that year, or by a prior binding agreement entered into for that year between the taxpayer and the Internal Revenue Service. If, but for the application of this (*b*) of this subdivision, such deficiency year would have been closed, then the deficiency may not exceed the amount attributable to an election under this subdivision.

(*c*) *Special rules.* An election by a corporation under section 1372(a) shall not be treated as terminated for any taxable year of the corporation beginning before January 12, 1971, merely because such corporation filed its income tax return on a Form 1120 instead of Form 1120S, or because a new shareholder failed to file a timely consent under section 1372 (e)(1), if the corporation's election under section 1372(a) would have been treated as terminated for such taxable year because of the application of section 1372(e)(5), as in effect prior to January 12, 1971, but for an election made by the corporation under (*b*)(*2*) of this subdivision to have the provisions of (*a*)(*1*) of this subdivision apply.

(*d*) *Election and consents are binding.* The election and consents under this subdivision are binding and may not be revoked.

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[FR Doc.76-9351 Filed 3-31-76;8:45 am]

Title 30—Mineral Resources

CHAPTER I—MINING ENFORCEMENT AND SAFETY ADMINISTRATION, DEPARTMENT OF THE INTERIOR

PART 11—RESPIRATORY PROTECTIVE DEVICES; TESTS FOR PERMISSIBILITY; FEES

Respiratory Protection Against Exposure to Vinyl Chloride; Extension of Time

On December 30, 1974, the Secretary of the Interior and the Secretary of Health, Education, and Welfare adopted special procedures for testing and approval of respirators used against exposure to vinyl chloride (39 FR 45012). Also adopted, with a delayed effective date, was a requirement that any canister or cartridge used to protect employees against exposure to this substance have an end-of-service-life indicator. Section 11.205(a) of Title 30, Code of Federal Regulations, provides that after December 31, 1975, a cartridge or canister without an end-of-service-life indicator will not be considered approved for use by employees exposed to vinyl chloride.

The purpose of the amendment set forth below is to extend the December 31, 1975, deadline date until September 30, 1976. This action is considered necessary because there are no respirators with an end-of-service-life indicator presently approved for use against exposure to vinyl chloride, and it is essential that the currently approved respiratory devices continue to be available for this purpose. While the indicator is an additional safety feature, the extension is not expected to adversely affect worker health provided currently approved respiratory equipment is used as directed.

The Government has received only one application for approval of a respirator with an end-of-service-life indicator. When approval is issued, the manufacturer will require, and the extension will provide, sufficient lead time for the production of the respirators necessary to supply exposed workers.

The Occupational Safety and Health Administration of the Department of Labor, which is charged with the enforcement of occupational standards, has advised that it concurs with the granting of this extension of time.

Under the circumstances, the Department finds that good cause exists for omitting notice of proposed rulemaking and opportunity for public participation in the rulemaking which extends the date. Therefore, § 11.205 is amended as set forth below, effective December 31, 1975.

Dated: March 26, 1976.

WILLIAM L. FISHER,
Assistant Secretary of the Interior.

Dated: January 28, 1976.

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.

§ 11.205 [Amended]

In the last sentence of paragraph (a) of § 11.205, the date reading "December 31, 1975", is changed to read "September 30, 1976."

(Secs. 202(h), 204, 508, 83 Stat. 763, 764, 803 (30 U.S.C. 842(h), 844, 957); secs. 2, 3, 5, 36 Stat. 370, as amended; 37 Stat. 681 (30 U.S.C. 3, 5, 7); sec. 8(g), 84 Stat. 1600 (29 U.S.C. 657(g)).)

[FR Doc.76-9295 Filed 3-31-76;8:45 am]

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