

of Staff, entitled "Regulatory Review," published in the **Federal Register** on January 26, 2009 (74 FR 4435), HUD is seeking public comment on a contemplated delay of 60 days in the effective date of the rule entitled "Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs" published in the **Federal Register** on January 27, 2009 (74 FR 4832). This final rule revises HUD's public and assisted housing program regulations to implement the upfront income verification process for program participants and to require the use of HUD's Enterprise Income Verification (EIV) system by public housing agencies and owners and management agents. HUD is considering a temporary 60-day delay in the effective date to allow HUD officials the opportunity for further review and consideration of new regulations, consistent with the Chief of Staff memorandum of January 20, 2009.

In addition, HUD takes this opportunity to address questions received subsequent to publication of the January 27, 2009, final rule pertaining to the provisions requiring the use of Social Security Numbers for determining program eligibility. HUD wishes to clarify that these requirements are not intended to apply to individuals, in mixed families, who do not contend eligible immigration status under HUD's noncitizens regulations, nor does it interfere with existing requirements relative to proration of assistance or screening for such families, or authorize their eviction or denial of admission on the basis of the new requirements pertaining to obtaining social security numbers.

HUD solicits comments specifically on the contemplated delay in effective date, but also generally on the rule entitled "Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs."

**DATES:** Comments must be received on or before March 13, 2009.

**ADDRESSES:** Interested persons are invited to submit comments. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500.

2. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at

[www.regulations.gov](http://www.regulations.gov). HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the [www.regulations.gov](http://www.regulations.gov) Web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

**No Facsimile Comments.** Facsimile (FAX) comments are not acceptable.

**Public Inspection of Public Comments.** All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an appointment to review the public comments must be scheduled in advance by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at [www.regulations.gov](http://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** For Office of Public and Indian Housing programs, contact Nicole Faison, Director of the Office of Public Housing Programs, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4226, Washington, DC 20410, telephone number 202-708-0744. For Office of Housing Programs, contact Gail Williamson, Director of the Housing Assistance Policy Division, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 6138, Washington, DC 20410, telephone number 202-402-2473. (These are not toll-free numbers.) Persons with hearing or speech impairments may access these numbers through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

Dated: February 6, 2009.

**Paula O. Blunt,**

*General Deputy Assistant Secretary for Public and Indian Housing.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-147636-08]

RIN 1545-BI41

#### **Application of Section 367 to a Section 351 Exchange Resulting From a Transaction Described in Section 304(a)(1); Treatment of Gain Recognized Under Section 301(c)(3) for Purposes of Section 1248**

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS and Treasury Department are issuing temporary regulations under sections 304 and 1248 of the Internal Revenue Code (Code). The temporary regulations provide rules under section 367(a) and (b) that apply to certain transfers of stock by a United States person to a foreign corporation described in section 304(a)(1). The temporary regulations under section 1248(a) provide that, for purposes of section 1248(a), gain recognized by a shareholder under section 301(c)(3) in connection with the receipt of a distribution of property from a foreign corporation with respect to its stock shall be treated as gain from the sale or exchange of the stock of such foreign corporation. The temporary regulations affect certain shareholders that transfer stock in a corporation to a foreign corporation in a transaction to which section 304(a)(1) applies, or that receive a distribution from a foreign corporation described in section 301(c)(3). The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by May 12, 2009.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-147636-08), room 5205, Internal Revenue Service, P.O.

Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-147636-08), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-147636-08).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Sean W. Mullaney, (202) 622-3860; concerning submissions of comments or requests for a public hearing, *Richard.A.Hurst@irs.counsel.treas.gov*; at (202) 622-7180 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) relating to sections 304 and 1248 of the Code. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

##### 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. These regulations are necessary to ensure that the appropriate amount of income (dividend income, capital gain or both) is recognized currently in the transactions described in the explanation of provisions section in this preamble. Accordingly, good cause is found for dispensing with notice and public comment pursuant to 5 U.S.C. 553(b) and (c) and with a delayed effective date pursuant to 5 U.S.C. 553(d). For applicability of the Regulatory Flexibility Act, see the cross-referenced notice of proposed rulemaking published elsewhere in this **Federal Register**. Pursuant to section 7805(f) of the Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

##### Comments and Requests for a Public Hearing

Comments are also requested regarding whether IRS and Treasury

Department should exercise the regulatory authority under section 304(b)(6) to permit an increase to the basis of the transferred stock in a section 304(a)(1) transaction to the extent the distribution in redemption of the shares deemed issued by the acquiring corporation is treated as a dividend from the earnings and profits of the issuing corporation.

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department specifically 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 will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

##### Drafting Information

The principal author of these proposed regulations is Sean W. Mullaney of the Office of Associate Chief Counsel (International). However, other personnel from the IRS and the Treasury Department participated in their development.

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

Income taxes, Reporting and recordkeeping requirements.

##### 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 to read as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.367(a)–9 also issued under 26 U.S.C. 367(a) and (b). \* \* \*

**Par. 2.** Section 1.367(a)–9 is added to read as follows:

##### **§ 1.367(a)–9 Treatment of deemed section 351 exchanges pursuant to section 304(a)(1).**

[The text of proposed § 1.367(a)–9 is the same as the text of § 1.367(a)–9T published elsewhere in this issue of the **Federal Register**.]

**Par. 3.** Section 1.367(b)–4 is amended by revising paragraphs (e), (f) and (g) to read as follows:

##### **§ 1.367(b)–4 Acquisition of foreign corporate stock or assets by a foreign corporation in certain nonrecognition transactions.**

\* \* \* \* \*

(e) [The text of proposed § 1.367(b)–4(e) is the same as the text of § 1.367(b)–4T(e) published elsewhere in this issue of the **Federal Register**.]

(f) [The text of proposed § 1.367(b)–4(f) is the same as the text of § 1.367(b)–4T(f) published elsewhere in this issue of the **Federal Register**.]

(g) [The text of proposed § 1.367(b)–4(g) is the same as the text of § 1.367(b)–4T(g) published elsewhere in this issue of the **Federal Register**.]

**Par. 4.** Section 1.1248–1 is amended by revising paragraphs (b) and (g) to read as follows:

##### **§ 1.1248–1 Treatment of gain from certain sales or exchanges of stock in certain foreign corporations.**

\* \* \* \* \*

(b) [The text of proposed § 1.1248–1(b) is the same as the text of § 1.1248–1T(b) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(g) [The text of proposed § 1.1248–1(g) is the same as the text of § 1.1248–1T(g) published elsewhere in this issue of the **Federal Register**.]

**Linda M. Kroening,**

*Acting Deputy Commissioner for Services and Enforcement.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–164370–05]

RIN 1545–BF27

#### Section 108(e)(8) Application to Partnerships; 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 rulemaking relating to the application of section 108(e)(8) of the Internal Revenue Code to partnerships and their partners.

**DATES:** The public hearing, originally scheduled for February 19, 2009, at 10 a.m., is cancelled.

#### FOR FURTHER INFORMATION CONTACT:

Richard A. Hurst of the Publications and Regulations Branch, Legal Processing