the authority of this subpart is to be used for low-income housing or to benefit the residents assisted by the PHA. This income will not cause a decrease in funding provided under the public housing program, except as otherwise provided under the Operating and Capital Fund formulas.

§ 943.407 Financial accountability of a subsidiary, affiliate, or joint venture to HUD and the Federal Government.

The subsidiary, affiliate, or joint venture is subject to the same authority of HUD, HUD’s Inspector General, and the Comptroller General to audit its conduct.

§ 943.409 Procurement standards for PHAs selecting partners for a joint venture.

(a) The requirements of 24 CFR part 85 are applicable to this part, subject to paragraph (b) of this section, in connection with the PHA’s public housing program.

(b) A PHA may use competitive proposal procedures for qualifications-based procurement (Request for Qualifications), or may solicit a proposal from only one source (“sole source”) to select a joint venture partner to perform an administrative or management function of its public housing program or to provide, or arrange to provide, supportive or social services covered under this part, under the following circumstances:

(1) The proposed joint venture partner has under its control and will make available to the partnership substantial, unique, and tangible resources or other benefits that would not otherwise be available to the PHA on the open market (e.g., planning expertise, program experience, or financial or other resources). In this case, the PHA must maintain documentation to substantiate both the cost reasonableness of its selection of the proposed partner and the unique qualifications of the partner; or

(2) A resident group or a PHA subsidiary is willing and able to act as the PHA’s partner in performing administrative and management functions or to provide supportive or social services. This entity must comply with the requirements of 24 CFR part 84 (if the entity is a nonprofit) or 24 CFR part 85 (if the entity is a state or local government) with respect to its selection of a resident group or PHA subsidiary and the ability of that group or subsidiary to act as the PHA’s partner under this provision.

§ 943.411 Procurement standards apply for a PHA’s joint venture partner.

(a) General. A joint venture partner is not a grantee or subgrantee and, accordingly, is not required to comply with 24 CFR part 84 or 24 CFR part 85 in its procurement of goods and services under this part. The partner must comply with all applicable state and local procurement and conflict of interest requirements with respect to its selection of entities to assist in PHA program administration.

(b) Exception. If the joint venture partner is a subsidiary, affiliate, instrumentality, or identity of interest party of the PHA, it is subject to the requirements of 24 CFR part 85. HUD may, on a case-by-case basis, exempt such a joint venture partner from the need to comply with requirements under 24 CFR part 85 if HUD determines that the joint venture has developed an acceptable alternative procurement plan.

(c) Contracting with identity-of-interest parties. A joint venture partner may contract with an identity-of-interest party for goods or services, or a party specified in the selected bidder’s response to a Request for Proposal or Request for Qualifications (as applicable), without the need for further procurement if:

(1) The PHA can demonstrate that its original competitive selection of the partner clearly anticipated the later provision of such goods or services;

(2) Compensation of all identity-of-interest parties is structured to ensure there is no duplication of profit or expenses; and

(3) The PHA can demonstrate that its selection is reasonable based upon prevailing market costs and standards, and that the quality and timeliness of the goods or services is comparable to that available in the open market. For purposes of this paragraph (c), an “identity-of-interest party” means a party that is wholly owned or controlled by, or that is otherwise affiliated with, the partner or the PHA. The PHA may use an independent organization experienced in cost valuation to determine the cost reasonableness of the proposed contracts.

§ 943.413 Procurement standards for a joint venture.

(a) When the joint venture as a whole is controlled by the PHA or an identity-of-interest party of the PHA, the joint venture is subject to the requirements of 24 CFR part 85.

(b) If a joint venture is not controlled by the PHA or an identity-of-interest party of the PHA, then the rules that apply to the other partners apply. (See § 943.411, Procurement standards apply for a PHA’s joint venture partner).

Dated: June 9, 2014.
Sandra B. Henriquez,
Assistant Secretary for Public and Indian Housing.

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DEPARTMENT OF THE TREASURY
Internal Revenue Service

26 CFR Part 1

[REG–209459–78]

RIN 1545–BL98

Individual Retirement Plans and Simplified Employee Pensions; Partial Withdrawal

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws part of a notice of proposed rulemaking that specifically relates to rollovers from individual retirement arrangements (IRAs). The partial withdrawal of the proposed regulation will affect individuals who maintain IRAs and financial institutions that are trustees, custodians, or issuers of IRAs.

DATES: As of July 11, 2014, the proposed amendment to § 1.408–4(b)(4)(ii), published Tuesday, July 14, 1981 (46 FR 36198), is withdrawn.

FOR FURTHER INFORMATION CONTACT: Vernon S. Carter at (202) 317–6700 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 408(d) governs distributions from IRAs. Generally, section 408(d)(1) provides that any amount distributed from an IRA is includable in gross income of the payee or distributee. Section 408(d)(3)(A)(i) allows a payee or distributee of an IRA distribution to exclude from gross income any amount paid or distributed from an IRA that is subsequently paid into an IRA not later than the 60th day after the day on which the payee or distributee receives the distribution. Section 408(d)(3)(A)(ii) and (d)(3)(D)(ii). Section 408(d)(3)(B) provides that an individual is permitted to make only one nontaxable rollover described in section 408(d)(3)(A)(i) in any 1-year period.

On July 14, 1981, the Federal Register published proposed regulations (46 FR
Based on the language in section 408(d)(3)(B), a recent Tax Court opinion, Bobrow v. Commissioner, T.C. Memo. 2014–21, held that the limitation applies on an aggregate basis. Thus, under Bobrow, an individual cannot make an IRA-to-IRA rollover if the individual has made an IRA-to-IRA rollover involving any of the individual’s IRAs in the preceding 1-year period. The IRS intends to follow the opinion in Bobrow and, accordingly, is withdrawing paragraph (b)(4)(ii) of § 1.408–4 of the proposed regulations and will revise Publication 590. This interpretation of the rollover rules under section 408(d)(1)(B) does not affect the ability of an IRA owner to transfer funds from one IRA trustee or custodian directly to another, because such a transfer is not a rollover and, therefore, is not subject to the one-rollover-per-year limitation of section 408(d)(3)(B). See Rev. Rul. 78–406, 1978–2 C.B. 157.

In response to comments expressing concern over implementation of the rollover limitation as interpreted in Bobrow, the IRS released Announcement 2014–15, 2014–16 I.R.B. 973, on March 20, 2014. Announcement 2014–15 addresses the application to Individual Retirement Accounts and Individual Retirement Annuities of the one-rollover-per-year limitation of section 408(d)(3)(B) and provides transition relief for owners. Consistent with that Announcement, the IRS will not apply the Bobrow interpretation of section 408(d)(3)(B) to any rollover that involves a distribution occurring before January 1, 2015.

List of Subjects in 26 CFR Part 1
Treatment of distributions from individual retirement arrangements.