

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 Fund 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 the members of the team, and the members must be paid on a cost-reimbursement basis only. The PHA must maintain documentation that indicates both the cost reasonableness of 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 includible in gross income by 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)(i) and (d)(3)(D)(i). 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

36198) that would have amended § 1.408-4 of the Income Tax Regulations by adding a new paragraph (b)(4)(ii). Those proposed regulations provide that the rollover limitation of section 408(d)(3)(B) is applied on an IRA-by-IRA basis. This rule is reflected in IRS Publication 590, Individual Retirement Arrangements (IRAs). However, section 408(d)(3)(B) provides that the exclusion from gross income for IRA rollovers pursuant to subparagraph (A)(i) does not apply “if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in that subparagraph from an individual retirement account or an individual retirement annuity which was not includible in his gross income because of the application of this paragraph.”

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.

#### Partial Withdrawal of Proposed Rulemaking

For the reasons stated in the preamble and under the authority of 26 U.S.C. 7805, the Internal Revenue Service withdraws the proposed amendment to § 1.408-4(b)(4)(ii).

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2014-16281 Filed 7-10-14; 8:45 am]

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#### DEPARTMENT OF HOMELAND SECURITY

##### Coast Guard

##### 33 CFR Part 100

[Docket Number USCG-2014-0407]

**RIN 1625-AA08**

#### Special Local Regulation; Great Race On The Sea, Powerboat Race, Atlantic Ocean, Long Beach, NY

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard is proposing a temporary special local regulation on the navigable waters of the Atlantic Ocean off Long Beach, NY during the Great Race On The Sea Powerboat Race. This action is necessary to provide for the safety of life of participants and spectators during this event. Entering into, transiting through, remaining, anchoring or mooring within these regulated areas would be prohibited unless authorized by the Captain of the Port (COTP) Sector Long Island Sound.

**DATES:** Comments and related material must be received by the Coast Guard on or before August 11, 2014.

Requests for public meetings must be received by the Coast Guard on or before July 18, 2014.

**ADDRESSES:** You may submit comments identified by docket number using any one of the following methods:

(1) *Federal eRulemaking Portal:*

<http://www.regulations.gov>.

(2) *Fax:* 202-493-2251.

(3) *Mail or Delivery:* Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590-0001. Deliveries accepted between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays. The telephone number is 202-366-9329.

See the “Public Participation and Request for Comments” portion of the

**SUPPLEMENTARY INFORMATION** section below for further instructions on submitting comments. To avoid duplication, please use only one of these three methods.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email Petty Officer Scott Baumgartner, Prevention Department, Coast Guard Sector Long Island Sound, (203) 468-4559, [Scott.A.Baumgartner@uscg.mil](mailto:Scott.A.Baumgartner@uscg.mil). If you have questions on viewing or submitting material to the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone (202) 366-9826.

#### SUPPLEMENTARY INFORMATION:

##### Table of Acronyms

COTP Captain of the Port  
DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of Proposed Rulemaking

#### A. Public Participation and Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided.

##### 1. Submitting Comments

If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online at <http://www.regulations.gov>, or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, type the docket number [USCG-2014-0407] in the “SEARCH” box and click “SEARCH.” Click on “Submit a Comment” on the line associated with this rulemaking.