

IRS issues updated procedures for private letter rulings regarding section 355 transactions

The Internal Revenue Service on May 1 published Rev. Proc. 2024-24, which provides updated guidelines for taxpayers requesting private letter rulings regarding certain matters relating to section 355 transactions.

URL: <https://www.taxnotes.com/research/federal/irs-guidance/revenue-procedures/procedures-provided-requesting-corporate-letter-rulings/7jh19>

Rev. Proc. 2024-24 includes new or revised guidelines relating to the treatment of:

- Delayed distributions of stock or securities of the controlled corporation (Controlled);
- The retention of stock or securities of Controlled by the distributing corporation (Distributing); and
- Deleveraging transactions undertaken by Distributing, including debt-for-debt exchanges.

Rev. Proc. 2024-24 applies to all section 355 ruling requests postmarked or, if not mailed, received by the IRS after May 31, 2024.

In conjunction with the issuance of Rev. Proc. 2024-24, the IRS released Notice 2024-38, which requests public comment on certain matters addressed in Rev. Proc. 2024-24 and describes the Treasury Department's and the IRS's concerns relating to those matters.

URL: <https://www.taxnotes.com/research/federal/irs-guidance/notices/irs-requests-comments-corporate-transaction-letter-rulings/7jh18>

Find out more

A new alert from Deloitte Tax LLP discusses the practical implications of Rev. Proc. 2024-24 and Notice 2024-38 for the IRS's letter ruling practice.

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240517_2_suppA.pdf

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