

---

*26 CFR 601.201: Rulings and determination letters.*

*(Also §§ 355; 1.355–2.)*

## **Rev. Proc. 96–39**

### **SECTION 1. PURPOSE**

This revenue procedure amplifies Rev. Proc. 96–3, 1996–1 I.R.B. 82,

which sets forth the areas of the Internal Revenue Code under the jurisdiction of the Associate Chief Counsel (Domestic) and the Associate Chief Counsel (Employee Benefits and Exempt Organizations) relating to issues on which the Internal Revenue Service will not issue advance rulings or determination letters.

## SECTION 2. BACKGROUND

Section 5 of Rev. Proc. 96-3 sets forth those areas under extensive study in which rulings or determination letters will not be issued until the Service resolves the issue through publication of a revenue ruling, revenue procedure, regulations or otherwise. Section 355(a) of the Internal Revenue Code applies to distributions to a shareholder with respect to stock, or to a security holder in exchange for securities, of stock or securities of a corporation controlled by the distributing corporation immediately

before the distribution. In cases in which there have been negotiations, agreements or arrangements with respect to transactions or events which, if consummated before the distribution, would result in the distribution of stock or securities of a corporation which is not controlled by the distributing corporation, the Service intends to study further the proper evaluation of the facts and circumstances to determine whether the requirements of § 355 are satisfied.

## SECTION 3. PROCEDURE

Rev. Proc. 96-3 is amplified by adding to Section 5 the following:

Section 355.—Distribution of Stock or Securities of a Controlled Corporation.—Whether a distribution of stock or securities is described in § 355(a)(1) if there have been negotiations, agreements or arrangements with respect to transactions or events which, if treated as

consummated before the distribution, would result in the distribution of stock or securities of a corporation which is not controlled by the distributing corporation (or, if stock is retained by the distributing corporation, in a distribution of an amount of stock not constituting control).

## SECTION 4. EFFECTIVE DATE

This revenue procedure will apply to all ruling requests postmarked or, if not mailed, received on or after July 23, 1996.

## FURTHER INFORMATION

For further information regarding this Revenue Procedure contact Bonnie O'Brien of the Office of Assistant Chief Counsel (Corporate) at (202) 622-7790 (not a toll-free call).

---