

IRS Expands Scope of Private Letter Ruling Program for Spin-offs

JOURNAL OF TAXATION OF INVESTMENTS

02.21.2018

In this article, Layla Asali, Andrew Howlett, Katherine Zhang,* and David Zimmerman discuss Revenue Procedure 2017-52, which describes the Internal Revenue Service's (IRS's) pilot program that expands the scope of letter rulings available for distributions intended to qualify as tax-free spins-offs under Section 355. "Revenue Procedure 2017-52 is a partial reversal from what had been a series of contradictions in the IRS's letter ruling policy," the authors wrote. Following an overview of agency's letter ruling policy from 2003 up to 2017, the authors review how to request a transactional ruling and how to describe transactions and representations. "The pilot program is a welcome development for taxpayers contemplating spin-off transactions because a letter ruling can now provide certainty with respect to the entire transaction," they wrote. "The updated list of representations (for the first time in nearly 15 years) also provides greater insights into the factors that the IRS considers significant in evaluating spin-off transactions."

**Former Miller & Chevalier attorney*