

## Part III

### Administrative, Procedural, and Miscellaneous

#### 26 CFR 601.201: Rulings and Determination Letters (Also: Part I, §§ 355 and 361.)

Rev. Proc. 2017-38

#### SECTION 1. PURPOSE

This revenue procedure modifies Rev. Proc. 2017-3, 2017-1 I.R.B. 130, which sets forth areas of the Internal Revenue Code (Code) on which the Internal Revenue Service (Service) will not issue letter rulings or determination letters (no-rule areas).

#### SECTION 2. BACKGROUND

In the interest of sound tax administration, the Service answers written inquiries from individuals and organizations regarding the tax effects of their acts or transactions by issuing letter rulings or determination letters. See sections 2.01 and 2.03 of Rev. Proc. 2017-1, 2017-1 I.R.B. 1. There are, however, areas in which the Service will not

issue letter rulings or determination letters because the issues are inherently factual or for other reasons. The Service publishes guidance setting forth these no-rule areas throughout the year and incorporates them annually into the third revenue procedure of the year, currently Rev. Proc. 2017-3.

Section 5 of Rev. Proc. 2017-3 sets forth those areas in which the Service is temporarily not issuing rulings or determination letters because those matters are under study. Section 2.01 of Rev. Proc. 2017-3.

### SECTION 3. PROCEDURE

Rev. Proc. 2017-3, 2017-1 I.R.B 130, is modified by deleting section 5.01(4) (providing that whether § 355 or § 361 applies to a distributing corporation's distribution of stock or securities of a controlled corporation in exchange for, and in retirement of, any putative debt of the distributing corporation if such distributing corporation debt is issued in anticipation of the distribution, is an area under study in which a ruling letter will not be issued) and section 5.01(6) (cross-referencing section 5.01(4)).

The Service continues to study matters concerning issues in this area. However, it has been determined that issuing private letter rulings or determination letters in this area would be in the interest of sound tax administration.

### SECTION 4. EFFECTIVE DATE

This revenue procedure is effective on or after May 9, 2017.

### SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2017-3 is modified.

## SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Jean R. Broderick of the Office of Associate Chief Counsel (Corporate). For further information regarding this revenue procedure contact John P. Stemwedel on (202) 317-5363 (not a toll free call).