

## Part III

### Administrative, Procedural, and Miscellaneous

26 CFR 1.601-201: Rulings and determination letters.

Rev. Proc. 2022-10

#### SECTION 1. PURPOSE

This revenue procedure establishes an 18-month pilot program to provide an opportunity for fast-track processing of certain requests for letter rulings solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate).

#### SECTION 2. BACKGROUND

##### .01 Letter Rulings.

(1) In general. The Internal Revenue Service (Service) publishes annually a revenue procedure to explain how the Service provides advice to taxpayers on issues under the jurisdiction of each Associate office. For example, Rev. Proc. 2022-1, 2022-1 I.R.B. 1, explains the forms of advice and the manner in which advice is requested by

taxpayers and provided by the Service. References in this revenue procedure to Rev. Proc. 2022-1 include references to successor revenue procedures as appropriate.

(2) General instructions for requesting letter rulings. Section 7 of Rev. Proc. 2022-1 provides general instructions and procedures for requesting letter rulings and determination letters.

(a) Expedited handling of letter ruling requests. The Service ordinarily processes requests for letter rulings and determination letters in order of the date received. However, section 7.02(4) of Rev. Proc. 2022-1 sets forth the procedures for requesting expedited handling of letter ruling requests (expedited handling). That section requires a request for expedited handling to be made in writing, preferably in a separate letter included with the request for the letter ruling or provided soon after its filing, and to explain in detail the need for expedited handling. That section also sets forth the circumstances in which the Service will grant expedited handling of a letter ruling request. Specifically, that section provides that a request for expedited handling is granted only in rare and unusual cases, out of fairness to other taxpayers and because the Service seeks to process all requests as expeditiously as possible and to give appropriate deference to normal business exigencies in all cases. Nevertheless, the Service may grant a request for expedited handling when a factor outside a taxpayer's control creates a real business need to obtain a letter ruling or determination letter before a certain date to avoid serious business consequences.

(b) Processing of letter ruling requests. Section 8 of Rev. Proc. 2022-1 describes the processing of letter ruling requests by the Associate offices. Section 8.05(1) of Rev. Proc. 2022-1 provides that, if a letter ruling request lacks essential information, the

branch representative will request such information, and that, unless an extension of time is granted, the request will be closed if the Associate office does not receive the requested information within 21 calendar days from the date of the request. Section 8.05(2) of Rev. Proc. 2022-1 provides that the Service will grant an extension of the 21-day period if the extension is justified in writing by the taxpayer and approved by the branch reviewer. Section 8.05(3) of Rev. Proc. 2022-1 provides procedures for closing a request if the taxpayer does not submit the information requested within the specified time.

(3) Conferences for letter rulings. Section 10 of Rev. Proc. 2022-1 provides procedures and rules regarding conferences between the taxpayer or the taxpayer's authorized representative (taxpayer) and Service representatives to discuss a letter ruling request. A taxpayer generally is entitled, as a matter of right, to only one conference (conference of right). See Rev. Proc. 2022-1, section 10.02.

.02 Comments Requesting Faster Processing. The Department of the Treasury (Treasury Department) and the Service have received numerous informal comments from taxpayers and practitioners regarding the time required to process letter ruling requests. The Treasury Department and the Service have determined that faster processing of certain requests for letter rulings solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate) would improve service to taxpayers and enhance sound administration of the corporate tax provisions of the Internal Revenue Code (Code).

### SECTION 3. SCOPE

.01 Availability of Fast-Track Processing or Expedited Handling.

(1) Fast-track processing available. Except as provided in section 3.01(3) of this revenue procedure, a taxpayer requesting a letter ruling solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate) may request fast-track processing. A request for fast-track processing generally will be granted if the letter ruling request is solely under the jurisdiction of the Associate Chief Counsel (Corporate), and the requirements described in section 4 of this revenue procedure are met. However, if the letter ruling request is primarily under the jurisdiction of the Associate Chief Counsel (Corporate) but also includes a request for a ruling on an issue under the jurisdiction of another Associate office, fast-track processing will be granted only if the other Associate office with jurisdiction over the issue agrees to process the request in accordance with this revenue procedure. If the letter ruling request is primarily under the jurisdiction of the Associate Chief Counsel (Corporate) but also involves an issue under the jurisdiction of another Associate office, but no ruling with respect to such issue is requested, fast-track processing will be granted only if no other Associate office with jurisdiction over the issue objects to the request being processed in accordance with this revenue procedure.

(2) Expedited handling not available. Except as provided in section 3.01(3) of this revenue procedure, expedited handling under section 7.02(4) of Rev. Proc. 2022-1 is not available for a letter ruling request solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate).

(3) Section 9100 relief.

(a) Fast-track processing not available. Fast-track processing is not available for requests for extension of time to make elections or other applications for relief under

§ 301.9100 of the Procedure and Administration Regulations (26 CFR part 301) (§ 9100 relief).

(b) Expedited handling available. Expedited handling under section 7.02(4) of Rev. Proc. 2022-1 is available for requests for § 9100 relief.

.02 Effect of Fast-Track Processing. If a request for fast-track processing is granted, the Service will endeavor to complete processing of the letter ruling request and, if appropriate, to issue the letter ruling within the time period specified by the branch reviewer (specified period). The specified period will be 12 weeks unless a shorter or longer period is requested and granted pursuant to this revenue procedure.

(1) If the letter ruling request involves issues solely under the jurisdiction of the Associate Chief Counsel (Corporate), the specified period will begin on the date the letter ruling request is assigned to and received by the branch representative and branch reviewer processing the letter ruling request.

(2) If the letter ruling request involves issues under the jurisdiction of an Associate office other than the Associate Chief Counsel (Corporate), the specified period will begin on the first date on which all other Associate offices having jurisdiction have informed the branch representative of their agreement to fast-track processing (or, if applicable, have indicated non-objection to such processing).

#### SECTION 4. PROCEDURES FOR FAST-TRACK PROCESSING

.01 Qualification. The Service will provide fast-track processing of a letter ruling request only if (1) the taxpayer satisfies each of the requirements described in sections 4.02 through 4.04 of this revenue procedure and agrees to satisfy the requirement described in section 4.07 of this revenue procedure, and (2) after considering the

factors listed in section 4.05(2) of this revenue procedure, the branch reviewer determines that fast-track processing is feasible.

.02 Pre-submission Conference.

(1) Request by taxpayer. The taxpayer must request a pre-submission conference with respect to the letter ruling request, in accordance with the procedures described in sections 10.07, 10.08, and 10.09 (added by this revenue procedure) of Rev. Proc. 2022-1. In the pre-submission conference, the taxpayer should address both the substantive issues and the taxpayer's request for fast-track processing.

(2) Required information before pre-submission conference. Before the pre-submission conference, the taxpayer must provide the information required pursuant to section 10.07(3) of Rev. Proc. 2022-1. Additionally, the taxpayer must provide a statement setting forth the reasons for requesting fast-track processing, the length of the specified period the taxpayer requests (if other than 12 weeks), any matters that could affect the feasibility of fast-track processing, and any issues under the jurisdiction of an Associate office other than the Associate Chief Counsel (Corporate) relevant to the transaction(s) (including whether a ruling will be requested as to each such issue).

.03 Letter Ruling Request. A letter ruling request as to which fast-track processing is requested must satisfy all applicable requirements of Rev. Proc. 2022-1 and any other applicable revenue procedures and, in addition, must include the items in sections 4.03(1) through (4) of this revenue procedure.

(1) Required statement. The letter ruling request must state, at the top of the first page: "Fast-Track Processing Is Requested under Revenue Procedure 2022-10."

(2) Required information. The letter ruling request must include information on the taxpayer's reasons for requesting fast-track processing, the length of the specified period the taxpayer requests (if other than 12 weeks), any information required by section 4.06 if the specified period is less than 12 weeks, any matters that could affect the feasibility of fast-track processing, and any issues under the jurisdiction of an Associate office other than the Associate Chief Counsel (Corporate) relevant to the transaction(s) (including any rulings requested on any such issues).

(3) Agreement regarding additional information. The letter ruling request must state that the taxpayer agrees to provide any additional information requested by the branch representative within the seven business days that begin on the next business day after the day the request for information is made (seven-day period). See section 4.07 of this revenue procedure.

(4) Draft letter ruling. The letter ruling request must include a draft letter ruling in a form that includes a legend of defined terms, a description of relevant facts, representations, requested rulings, and administrative matters.

#### .04 Submitting Request for Letter Ruling.

(1) Suggested submission by encrypted email attachment. To avoid delay in processing of letter ruling requests submitted by mail or delivered in physical form, it is strongly recommended that a letter ruling request for which fast-track processing is requested be submitted by encrypted email attachment, in accordance with section 7.04(3) of Rev. Proc. 2022-1.

(2) Submission other than by encrypted email attachment. If a letter ruling request for which fast-track processing is requested is submitted other than by encrypted email

attachment, the draft letter ruling required by section 4.03(4) of this revenue procedure must be submitted separately by encrypted email attachment in accordance with section 7.04(3) of Rev. Proc. 2022-1.

.05 Notification of Receipt and Granting of Request for Fast-Track Processing.

(1) Notification. No later than seven business days after the day the letter ruling request is received by the branch representative and branch reviewer, the branch representative or branch reviewer will contact the taxpayer (i) to acknowledge receipt of the letter ruling request, (ii) to provide contact information for the branch representative and branch reviewer, and (iii) to notify the taxpayer that the request for fast-track processing is granted, denied, or still pending. If the request is granted, the branch representative or branch reviewer will inform the taxpayer of the length of the specified period and the date the specified period will end. If the request is denied, the branch representative or branch reviewer will explain the reasons for the denial. If the request is under consideration by another Associate office at that time, the branch representative or branch reviewer will so inform the taxpayer.

(2) Factors in determining whether fast-track processing is feasible. In making the determination whether fast-track processing is feasible, and, if so, the length of the specified period, the branch reviewer will consider--

(a) All the facts, representations, and circumstances, including the complexity of the proposed transactions, the issues presented, and other obligations of the attorneys assigned to process the request,

(b) Whether the letter ruling request fully and clearly describes and analyzes the relevant facts and issues,

(c) Whether the draft letter ruling satisfies the requirements set forth in section 4.03 of this revenue procedure,

(d) The taxpayer's need for fast-track processing, and

(e) Any concerns communicated by another Associate office.

(3) Opportunity for discussion and reconsideration; tolling. If the branch representative or the branch reviewer informs the taxpayer that the request for fast-track processing is denied, the taxpayer may address that determination in writing, discuss that determination with the branch reviewer, or both. If the branch reviewer continues to determine that the request for fast-track processing should be denied, there is no right of appeal. See section 10.02 of Rev. Proc. 2022-1. After reconsideration, if the branch reviewer determines that the request for fast-track processing should be granted, the specified period will be tolled for the period beginning on the date the taxpayer was informed that the request for fast-track-processing was denied and ending on the date the taxpayer is informed of the determination that such request is granted. The branch representative or the branch reviewer will inform the taxpayer that a favorable or unfavorable determination has been made as soon as possible after the determination has been made and, in the event of a favorable determination, the period of tolling of the specified period.

.06 Specified Period Shorter or Longer than 12 Weeks.

(1) Request for specified period shorter than 12 weeks.

(a) In general. Upon request, the Service will agree to a specified period shorter than 12 weeks if the branch reviewer determines that the taxpayer has a real business need to obtain a letter ruling within that specified period, and that processing is feasible.

(b) Business need. In a request for a specified period shorter than 12 weeks, the taxpayer must demonstrate a need for such processing by submitting information to support the following conclusions, no later than the date on which the letter ruling request is submitted:

(i) There is a business exigency outside the taxpayer's control.

(ii) There will be adverse consequences to the taxpayer or other persons if the Service does not issue the requested letter ruling by the specified period.

(iii) The taxpayer submitted the request as promptly as possible after becoming aware of the circumstances described in paragraph (i) and (ii) of this section 4.06(1)(b).

(c) Insufficient reasons. The following facts alone do not demonstrate a need for a specified period shorter than 12 weeks:

(i) The scheduling of a closing date for a transaction, a meeting of a board of directors or shareholders of a corporation, or any other corporate action within the control of the taxpayer or other parties to the transaction.

(ii) The possible effect of fluctuation in the market price of stocks on a transaction.

(2) Specified period longer than 12 weeks.

(a) Taxpayer request. Upon request by the taxpayer, the Service may agree to a specified period longer than 12 weeks.

(b) Branch reviewer determination. The branch reviewer may decide to designate a specified period longer than 12 weeks, if he or she determines (based on the factors described in section 4.05(2) of this revenue procedure) that fast-track processing is not feasible within 12 weeks (or other specified period requested by the

taxpayer) but is feasible during the longer period. In such a case, the branch representative or branch reviewer will inform the taxpayer of the decision and the reasons therefor and will provide the taxpayer an opportunity to address the decision. The branch representative or the branch reviewer will inform the taxpayer of any subsequent favorable or unfavorable determination.

(3) Same procedures apply. The procedures described in this revenue procedure apply to all requests for fast-track processing, regardless of whether the specified period is 12 weeks or is shorter or longer than 12 weeks.

.07 Requested Additional Information Not Received Within Seven-Day Period. If the branch representative requests additional information, but all the requested information is not received within the seven-day period, then, unless the taxpayer requests an extension before the end of the seven-day period, and the branch reviewer or branch representative grants the extension, fast-track processing will be terminated. A request for an extension of the seven-day period may be made orally, in writing, or both. However, the seven-day period will not be tolled after an extension is requested unless agreed to by the branch reviewer or branch representative. The branch reviewer or branch representative will grant an extension only if the taxpayer provides good cause therefor. If an extension of time to submit information is granted, and the requested information is not provided within the extended time, fast-track processing will also be terminated unless a further extension is requested and granted. If fast-track processing is terminated under this section, the request will be subject to the procedures described in section 4.08 of this revenue procedure.

.08 Termination or Delay of Fast-Track Processing.

(1) In general. If the branch reviewer determines that fast-track processing within the specified period is no longer feasible, the branch reviewer may terminate fast-track processing or determine that fast-track processing will be completed within a newly designated specified period.

(2) Rationale for determination. In determining whether fast-track processing is no longer feasible within the specified period, the branch reviewer will consider any event or situation that affects the Service's ability to provide fast-track processing within the specified period, including--

(a) Any material change to the proposed transaction(s) since submission of the letter ruling request,

(b) Any Federal income tax issue not addressed in the original letter ruling request and subsequently identified,

(c) The accuracy or completeness of any additional information submitted,

(d) Any pending legislation, regulations, or other guidance that may affect the proposed transaction(s), and

(e) The scheduling of a conference of right described in section 10.02 of Rev. Proc. 2022-1 or a similar conference.

(3) Notification and opportunity for discussion and reconsideration; tolling. If the branch representative or the branch reviewer informs the taxpayer that fast-track processing has been terminated, the specified period has been extended, or the completion of fast-track processing has otherwise been delayed, the taxpayer may address that determination in writing, discuss that determination with the branch reviewer, or both. If, upon reconsideration, the branch reviewer continues to determine

that the request for fast-track processing should be terminated, the specified period should be extended, or completion of fast-track processing will otherwise be delayed, there is no right of appeal. See section 10.02 of Rev. Proc. 2022-1. If, upon reconsideration, the branch reviewer determines that fast-track processing should not be terminated, the specified period should not be extended, or completion of fast-track processing should not be otherwise delayed, the specified period will be tolled for the period beginning on the date the taxpayer was informed of the initial unfavorable determination and ending on the date the taxpayer is informed of the subsequent favorable determination. The branch representative or the branch reviewer will inform the taxpayer that a determination following reconsideration has been made as soon as possible after the determination has been made and, in the event of a favorable determination, the period of tolling of the specified period.

(4) Continued processing of letter ruling request. If fast-track processing is terminated, the Service will continue to process the letter ruling request under the procedures of section 7 of Rev. Proc. 2022-1 (exclusive of section 7.02(4)).

## SECTION 5. EFFECT ON OTHER DOCUMENTS

.01 Requests for Expedited Handling. Section 7.02(4) of Rev. Proc. 2022-1 is modified by adding the following new paragraph at the end:

Important: Expedited handling under this section 7.02(4) is not available as to a request for a letter ruling solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate) (other than a request for an extension of time to make an election or other application for relief under § 301.9100 of the Procedure and Administration Regulations

(26 CFR part 301)). For guidance on fast-track processing of such a letter ruling request, see Rev. Proc. 2022-10, 2022-6 I.R.B.

.02 Additional Information. Section 8.05(1) of Rev. Proc. 2022-1 is modified by adding the following new paragraph at the end:

Important: Special rules and procedures apply to letter ruling requests under the jurisdiction of the Associate Chief Counsel (Corporate) for which fast-track processing is requested. Under section 4.07 of Rev. Proc. 2022-10, failure to provide, within seven business days (including extensions, if granted), a complete response to any information request from the branch representative assigned to the letter ruling request will result in termination of fast-track processing.

.03 Conferences for Letter Rulings. Section 10 of Rev. Proc. 2022-1 is modified by adding the following new paragraph at the end:

PRE-SUBMISSION CONFERENCES UNDER REV. PROC. 2022-10.

.09 Special rules and procedures apply to letter ruling requests solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate) for which fast-track processing has been requested. For more information, see Rev. Proc. 2022-10.

## SECTION 6. APPLICABILITY DATES

.01 Beginning Date of Pilot Program.

(1) In general. The pilot program established by this revenue procedure applies to all letter ruling requests postmarked or, if not mailed, received by the Service after January 14, 2022.

(2) Request for fast-track processing for pending letter ruling requests. If a taxpayer has submitted a letter ruling request that was postmarked or, if not mailed,

received by the Service on or before January 14, 2022, the taxpayer may request fast-track processing by agreeing to follow the procedures set forth in this revenue procedure, adapted to the situation. For example, the taxpayer must address in writing the factors in section 4.05(2)(a) and (d) of this revenue procedure. However, no pre-submission conference is required. The taxpayer must submit a draft letter ruling (in accordance with section 4.03(4) of this revenue procedure) within seven business days of being notified that the request for fast-track processing has been granted (unless previously submitted). If fast-track processing is granted, the Service will endeavor to complete processing of the letter ruling request within a specified period.

.02 Ending Date of Pilot Program.

(1) In general. This pilot program will expire on the earlier of July 14, 2023 or the date on which a superseding revenue procedure is released. In advance of that date, the Treasury Department and the Service will evaluate the effectiveness and sustainability of the pilot program and determine whether the program should be extended. If it is determined that the pilot program should be extended, the Service intends to publish permanent procedures in advance of July 14, 2023.

(2) Application of this revenue procedure to submitted letter ruling requests. This revenue procedure will continue to apply to all letter ruling requests postmarked or, if not mailed, received by the Service on or before July 14, 2023. The Service may also grant a request for fast-track processing made prior to the expiration of the pilot program for a letter ruling request postmarked or, if not mailed, received by the Service no later than three months after the expiration of the pilot program.

SECTION 7. PAPERWORK REDUCTION ACT

The collections of information in this revenue procedure have been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1522.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information in this revenue procedure are in section 4. This information is required to determine whether a taxpayer qualifies for fast-track processing. The collections of information are required to obtain a benefit. The likely respondents are corporations seeking private letter rulings.

The estimated total annual reporting and/or recordkeeping burden for Rev. Proc. 2022-1 is 316,020 hours.

The estimated annual burden per respondent/recordkeeper for Rev. Proc. 2022-1 varies from 1 to 200 hours, depending on individual circumstances, with an estimated average burden of 80 hours. The estimated number of respondents and/or recordkeepers is 3,956.

The estimated total annual reporting and/or recordkeeping burden for this revenue procedure adds 260 hours to the burden imposed by Rev. Proc. 2022-1.

The estimated annual burden per respondent/recordkeeper for this revenue procedure varies from 3 to 10 hours, depending on individual circumstances, with an estimate average burden of 8 hours. The estimated number of additional respondents and/or recordkeepers added to Rev. Proc. 2022-1 by this revenue procedure is 10,

increasing the estimated number of respondents and/or recordkeepers to Rev. Proc. 2022-1 to 3,966.

The estimated annual frequency of response is on occasion.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue tax law. Generally, tax returns and tax return information are confidential, as required by section 6103 of the Code.

#### SECTION 8. DRAFTING INFORMATION

The principal authors of this revenue procedure are Kelton P. Frye and Richard K. Passales of the Office of Associate Chief Counsel (Corporate). For further information, please call Mr. Frye at (202) 317-5363 or Mr. Passales at (202) 317-5024.