



# TaxNewsFlash

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## Rev. Proc. 2024-24 and Notice 2024-38: Updated procedures for section 355 private letter rulings

The IRS released [Rev. Proc. 2024-24](#) providing updated procedures for taxpayers requesting private letter rulings from the IRS regarding certain matters pertaining to section 355 transactions, including representations, information, and analysis to be submitted with those requests.

Rev. Proc. 2024-24 modifies Rev. Proc. 2017-52 and supersedes Rev. Proc. 2018-53.

### Notice 2024-38

The IRS also released [Notice 2024-38](#) accompanying Rev. Proc. 2024-24, which requests public feedback on the provisions set forth in the Rev. Proc. 2024-24 and describes the Treasury Department's and the IRS's views and concerns relating to certain matters addressed in the revenue procedure, including:

- Distinction between Delayed Distributions of Controlled stock and securities and Retentions
- Degree of connection between Distributing and Controlled that prevents genuine separations
- Solvency and continued viability of Distributing and Controlled
- Plan of Reorganization requirement for Divisive Reorganizations
- Application of substance over form, agency, and other relevant theories to intermediated exchanges and direct issuance transactions
- Federal income tax treatment and consequences of Post-Distribution Payments
- Effect of transaction related to Divisive Reorganization on Controlled securities
- Replacement of Distributing Debt
- Separate and distinct relevance and application of sections 357 and 361

Comments are due July 30, 2024, but consideration will be given to any comments submitted after July 30, 2024, if such consideration will not delay the issuance of future published guidance.

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