



# TaxNewsFlash

United States

No. 2026-104  
May 5, 2026

## Rev. Proc. 2026-21: Establishment of significant issue ruling program for certain corporate transactions

The IRS today released [Rev. Proc. 2026-21](#) that establishes a program to provide letter rulings on one or more "significant issues" regarding certain corporate transactions. This program is in response to feedback from taxpayers and practitioners requesting the reinstatement of the practice of issuing "significant issue rulings" to improve the efficiency and timeliness of the letter ruling process.

The new program allows taxpayers to request a ruling on a "significant issue" that is:

- Solely under the jurisdiction of the Associate Chief Counsel (Corporate),
- Significant (as defined in the revenue procedure), and
- Involves the tax consequences or characterization of a transaction (or part of a transaction) described in section 332, 351, 355, 368, or 1036.

A "significant issue" is defined as a "germane and specific issue of law, provided that a ruling on the issue would not be a comfort ruling or the conclusion in such a ruling otherwise would not be essentially free from doubt."

Under this program, the IRS may issue a letter ruling addressing a significant issue without addressing the overall qualification of the transaction. For example, the IRS may rule on the application of section 355(e) without ruling on whether the overall transaction qualifies under section 355.

The significant issue ruling program applies to all letter ruling requests postmarked or, if not mailed, received by the IRS after May 5, 2026.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)