

## Notice 96-6

In Rev. Proc. 94-76, 1994-2 C.B. 825, the Internal Revenue Service announced that it had commenced a project to study whether certain transactions qualifying as corporate reorganizations under 368 circumvent the purposes of *General Utilities* repeal, necessitating corrective regulations under §37(d). The transactions under study included any transaction in which one corporation owns stock in a second corporation, the first corporation is not an “80-percent distributee” of the second corporation under 337(g), and the two corporations are combined (a “corporate combining transactions”). The IRS and the Treasury Department have decided not to issue guidance at this time regarding corporate combining transactions and are closing this project.

Rev. Proc. 94-76 and section 5.15 of Rev. Proc. 96-3, 1996-1 I.R.B. 82, state that the IRS will not issue advance rulings on the tax consequences of corporate combining transactions while the study of such transactions is being undertaken. The IRS will amplify and modify Rev. Proc. 96-3 by moving section 5.15 from section 5 (Areas Under Extensive Study) to section 3 (Areas In Which Rulings Or Determination Letters Will Not Be Issued). No inference is intended by this notice as to the tax treatment of corporate combining transactions under current law.

For further information regarding this notice, contact Keith Stanley the Office of Assistant Chief Counsel (Corporate) at (202) 622-7530 (not a toll-free call).