

26 CFR 601.201: Rulings and determination letters
(Also Part I, §§ 61, 115, 163, 1275, 2501, 7701; 1.61-7, 1.163-7, 1.1275-4, 25.2501-1, 301.7701-2)

Rev. Proc. 96-34

SECTION 1. PURPOSE

This revenue procedure amplifies Rev. Proc. 96-3, 1996-1 I.R.B. 82, which sets forth areas of the Internal Revenue Code under the jurisdiction of the Associate Chief Counsel (Domestic) in which the Internal Revenue Service will not issue advance rulings or determination letters.

SECTION 2. BACKGROUND

Rev. Proc 96-3, section 5, lists specific areas in which rulings or determination letters will not be issued because the areas are under extensive

study. This revenue procedure adds a subparagraph for state-created prepaid tuition plans.

SECTION 3. PROCEDURE

Rev. Proc. 96-3 is amplified by adding to section 5 the following: Section 115.—Income of states, municipalities, etc.—The results of transactions pursuant to a plan or arrangement created by state statute a primary objective of which is to enable participants to pay for the costs of a post-secondary education for themselves or a designated beneficiary, including: (i) whether the plan or arrangement, itself, is an entity separate from a state and, if so, how the plan or arrangement is treated for federal tax purposes; and (ii) whether any contract under the plan or arrangement is a debt instrument and, if so, how interest or original issue discount attributable to the contract is

treated for federal tax purposes. (Also §§ 61, 163, 1275, 2501 and 7701)

SECTION 4. EFFECTIVE DATE

This revenue procedure applies to all ruling requests, including any pending in the National Office on June 11, 1996.

SECTION 5. EFFECT ON OTHER REVENUE PROCEDURES

Rev. Proc. 96-3 is amplified.

DRAFTING INFORMATION

The principal author of this revenue procedure is Craig Wojay of the Office of Assistant Chief Counsel (Financial Institutions and Products). For further information regarding this revenue procedure, contact Mr. Wojay at (202) 622-3920 (not a toll-free number).