

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters.
(Also Part I, §§ 355, 1.355-1.)

Rev. Proc. 2025-30

SECTION 1. PURPOSE

This revenue procedure supersedes Rev. Proc. 2024-24, 2024-21 I.R.B. 1214, and provides procedures for taxpayers requesting private letter rulings from the Internal Revenue Service (IRS) after September 29, 2025, regarding certain issues pertaining to transactions intended to qualify under § 355¹ (Section 355 Transactions), including representations, information, and analysis that taxpayers requesting these rulings should submit to the IRS. This revenue procedure also modifies Rev. Proc. 2025-1, 2025-1 I.R.B. 1, and Rev. Proc. 2017-52, 2017-41 I.R.B. 283, and revokes Notice 2024-38, 2024-21 I.R.B. 1211.

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Internal Revenue Code of 1986, as amended (Code) or the Income Tax Regulations (26 CFR part 1).

SECTION 2. BACKGROUND

.01 Law.

Section 355(a)(1) provides that, if certain requirements are met, a corporation (Distributing) may distribute (i) stock of a controlled corporation (Controlled) to Distributing's shareholders, or (ii) Controlled stock and securities to Distributing's shareholders and security holders, without recognition of gain or loss to, or inclusion of any amount in the income of, the shareholders or security holders.

Section 355(c)(1) provides that no gain or loss is recognized to Distributing upon a distribution of Controlled stock, or stock and securities, to which § 355 (or so much of § 356 as relates to § 355) applies and which is not in pursuance of a plan of reorganization.

In a reorganization under §§ 355 and 368(a)(1)(D) (Divisive Reorganization), Distributing transfers property to Controlled in exchange for consideration (§ 361 Consideration). The § 361 Consideration received by Distributing includes Controlled stock and also may include money, securities or other debt obligations of which Controlled is the obligor, and other property. Controlled also may assume liabilities of Distributing. To complete the Divisive Reorganization, Distributing distributes the Controlled stock, and possibly other § 361 Consideration, to its shareholders and also may distribute § 361 Consideration in satisfaction of its obligations to holders of its securities or to other creditors.

.02 Prior Revenue Procedures.

(1) Rev. Proc. 2017-52. Rev. Proc. 2017-52 provides procedures for requesting private letter rulings regarding Section 355 Transactions.

(2) Rev. Proc. 2018-53. Rev. Proc. 2018-53, 2018-43 I.R.B. 667, amplified Rev.

Proc. 2017-52 and described the procedures for requesting rulings on issues relating to the assumption or satisfaction of Distributing Debt (as defined therein) in Divisive Reorganizations and the representations, information, and analysis to be submitted in those requests.

(3) Rev. Proc. 2024-24. Rev. Proc. 2024-24 superseded Rev. Proc. 2018-53 and modified Rev. Proc. 2017-52 by deleting Representations 2, 4, and 17 through 21 in section 3 of the Appendix. Notice 2024-38, which accompanied Rev. Proc. 2024-24, requested feedback on the procedures set forth in Rev. Proc. 2024-24. Notice 2024-38 also described the then-current views and concerns of the Treasury Department and the IRS relating to certain matters addressed in Rev. Proc. 2024-24 and requested feedback on those matters.

.03 This Revenue Procedure.

Section 3 of this revenue procedure restates the guidance originally provided in section 3 of Rev. Proc. 2018-53. Section 4 of this revenue procedure restates the guidance originally provided in Representations 2, 4, and 17 through 21 in section 3 of the Appendix to Rev. Proc. 2017-52.

SECTION 3. APPLICATION AND PROCEDURES

.01 Ruling requests to which procedures apply.

A taxpayer engaging in a Divisive Reorganization may request rulings that no gain or loss will be recognized to Distributing (i) upon Controlled's assumption of liability for an obligation of Distributing (§ 357(a)), and (ii) upon Distributing's receipt of § 361 Consideration and its distribution of the § 361 Consideration to a creditor in satisfaction of Distributing's debt obligation (§§ 361(b) and (c)).

The procedures described in section 3.03 of this revenue procedure apply to a

request for a ruling to the extent that a subject of the request is an assumption by Controlled of liability for Distributing Debt or the satisfaction of Distributing Debt with § 361 Consideration. For purposes of this revenue procedure, an obligation is “Distributing Debt” if (a) Distributing is the obligor, and (b) the obligation (i) is evidenced by a debt instrument (defined in § 1.1275-1(d)) that is not a contingent payment debt instrument subject to § 1.1275-4 (Non-contingent Debt Instrument) and (ii) by its terms is payable only in money. (For example, Distributing Debt does not include an obligation that, by its terms, can be satisfied with § 361 Consideration at Distributing’s option.)

.02 Ruling requests on similar or related transactions.

The IRS will continue to rule on transactions that are not described in section 3.01 of this revenue procedure but are similar to such transactions. These transactions include assumption or satisfaction of Distributing’s obligations that are not Distributing Debt (for example, contingent liabilities) and distributions of § 361 Consideration to Distributing’s shareholders. However, this revenue procedure does not describe procedures for requesting such rulings or the representations, information, or analysis that taxpayers requesting such rulings should submit. See generally Rev. Proc. 2025-1 and Rev. Proc. 2017-52.

A taxpayer may request rulings regarding assumption or satisfaction of some obligations that are, and of other obligations that are not, Distributing Debt. In this situation, the taxpayer should follow the procedures described in section 3.03 of this revenue procedure with respect to the Distributing Debt and should follow the procedures described in Rev. Proc. 2025-1 and Rev. Proc. 2017-52 with respect to the

other obligations. Additional representations, information, and analysis may be required.

.03 Procedures.

In a request for rulings described in section 3.01 of this revenue procedure, the taxpayer should submit (in addition to the representations, information, and analysis described in Rev. Proc. 2025-1 and Rev. Proc. 2017-52) information that describes (1) the Distributing Debt that will be assumed or satisfied (including the relevant terms of the Non-contingent Debt Instruments that evidence the Distributing Debt and the date or dates on which the Distributing Debt was incurred), (2) the § 361 Consideration that will be distributed to creditors in satisfaction of the Distributing Debt, and (3) the transactions that will implement Controlled's assumption of liability for Distributing Debt or Distributing's receipt of § 361 Consideration and its distribution of § 361 Consideration to creditors in satisfaction of Distributing Debt.

The taxpayer should also submit information and analysis to establish that (1) any assumption of Distributing Debt by Controlled will be consideration received by Distributing in the Divisive Reorganization, and (2) any distribution of § 361 Consideration by Distributing to its creditors in satisfaction of Distributing Debt will be in connection with the plan of reorganization.

If, at the time of the first distribution of Controlled stock to Distributing shareholders, the assumption or satisfaction of Distributing Debt is subject to any contingency, the taxpayer should (1) describe each contingency and any alternative transactions and (2) establish that there are one or more substantial business reasons for the plan not being fixed and determined at that time. Documentation of such business reasons

should be submitted only if requested.

In addition, the taxpayer should submit the representations, information, and analysis set forth in section 3.04 of this revenue procedure.

.04 Representations, information, and analysis.

The representations, information, and analysis described in paragraphs (1) through (8) of this section 3.04 should be submitted. With respect to these representations, the taxpayer should not follow the procedures in section 3.04 of Rev. Proc. 2017-52.

Instead, the taxpayer should set forth each applicable representation and the additional information and analysis described in this section 3.04. If the taxpayer believes that any of the representations is not applicable, the taxpayer should explain its rationale for this belief.

If the taxpayer is unable to submit an applicable representation in the form set forth in this section 3.04 (Standard Representation), the taxpayer should submit (1) an explanation for its inability to provide the Standard Representation and (2) the rationale supporting the issuance of each relevant requested ruling in the absence of the Standard Representation. If appropriate, the taxpayer should submit (1) a modified representation that addresses the same matter, (2) an explanation of the modification, and (3) the rationale supporting the issuance of each relevant requested ruling, taking into account the modified Standard Representation.

The representations in this section 3.04 use terms defined in this revenue procedure. The taxpayer should include in its request either (1) definitions of these terms that are consistent with the definitions in this revenue procedure or (2) a statement to the effect that these terms have the meanings set forth in this revenue procedure.

(1) Distributing as obligor in substance. Submit the following **REPRESENTATION**:

Distributing is in substance the obligor of each Distributing Debt that will be assumed or satisfied. With respect to any such Distributing Debt, the taxpayer should submit information regarding any co-obligation, guarantee, indemnity, surety, make-well, keep-well, or similar arrangement, including security provided by any person other than Distributing. The taxpayer also should submit information and analysis to establish that, taking into account any such arrangement, Distributing is in substance the obligor of such Distributing Debt.

(2) Holder not a Related Person. Submit the following **REPRESENTATION**: *No*

holder of Distributing Debt that will be assumed or satisfied is a person related to Distributing or Controlled within the meaning of § 267(b) or 707(b)(1) (Related Person).

If a holder is a Related Person, the taxpayer should establish that the § 361

Consideration received by the Related Person will be used to satisfy an obligation that is evidenced by a Non-contingent Debt Instrument and is held by a person other than a Related Person. The taxpayer also should submit information and analysis to address any potential application of the consolidated return regulations, including § 1.1502-13(g).

(3) Holder of Distributing Debt. Submit the following **REPRESENTATION**: *The*

holder of Distributing Debt that will be assumed or satisfied will not hold the debt for the benefit of Distributing, Controlled, or any Related Person. A collateral benefit received by Distributing from an arrangement with an intermediary (for example, facilitation of exchanges of § 361 Consideration for Distributing Debt) will not be treated as the intermediary holding Distributing Debt for the benefit of Distributing, Controlled, or a

Related Person. If an intermediary will acquire pre-existing Distributing Debt from any person, and such Distributing Debt will be satisfied with § 361 Consideration, submit the following additional **REPRESENTATIONS**: *[Name of intermediary] will not acquire Distributing Debt from Distributing, Controlled, or any Related Person. Neither Distributing, nor Controlled, nor any Related Person will participate in any profit gained by [name of intermediary] upon an exchange of § 361 Consideration; nor will any such profit be limited by agreement or other arrangement. The value of the § 361 Consideration received by [name of intermediary] in satisfaction of the Distributing Debt will not exceed the amount to which the holder is entitled under the terms of the Distributing Debt.* The taxpayer should describe any co-obligation, guarantee, indemnity, surety, make-well, keep-well, or similar arrangement, including additional security, provided to the intermediary by Distributing, Controlled, or any Related Person for risk of loss with respect to the Distributing Debt.

(4) Distributing Debt as historic debt. Submit the following **REPRESENTATION**: *Distributing incurred the Distributing Debt that will be assumed or satisfied (a) before the request for any relevant ruling is submitted and (b) no later than 60 days before the earliest of the following dates: (i) the date of the first public announcement (as defined in § 1.355-7(h)(10)) of the Divisive Reorganization or a similar transaction, (ii) the date of the entry by Distributing into a binding agreement to engage in the Divisive Reorganization or a similar transaction, and (iii) the date of approval of the Divisive Reorganization or a similar transaction by the board of directors of Distributing. A transaction is a similar transaction if it would have effected a direct or indirect separation of all, or a significant portion of, the same assets as the Divisive Reorganization that is*

the subject of the taxpayer's ruling request (cf. § 1.355-7(h)(12) and (13) (describing the terms "similar acquisition (not involving a public offering)" and "similar acquisition involving a public offering," respectively). If Distributing incurred or will incur any of the Distributing Debt that will be assumed or satisfied at a later time, the taxpayer should establish that, based on all the facts and circumstances, the borrowing and the assumption or satisfaction of such Distributing Debt will result in an allocation of historic Distributing Debt between Distributing and Controlled or an exchange of historic Distributing Debt for Controlled stock. As one example, the taxpayer may establish that the proceeds of the more-recently incurred Distributing Debt were used to satisfy other Distributing Debt that was incurred no later than the time described in the representation in this section 3.04(4) (cf. Rev. Rul. 79-258, 1979-2 C.B. 143 (in connection with a Divisive Reorganization, Controlled's assumption of liability for debt newly issued by Distributing to replace historic debt incurred in connection with the business to be transferred to Controlled did not cause § 357(b) to apply to the assumption)). As another example, the taxpayer may establish that the proceeds of the Distributing Debt assumed or satisfied were or will be used in Controlled's business.

(5) Historic average. Submit the following **REPRESENTATION**: *The total adjusted issue price (determined under § 1.1275-1(b)) of Distributing Debt that will be assumed or satisfied does not exceed the historic average of the total adjusted issue price of (a) Distributing Debt owed to persons other than Related Persons and (b) obligations that are evidenced by Non-contingent Debt Instruments and are owed by other members of Distributing's separate affiliated group (within the meaning of § 355(b)(3)(B)) to persons other than Related Persons.* The historic average of total

adjusted issue price should be determined based on debt outstanding as of the close of the eight fiscal quarters that ended or will end immediately before the date of approval of the Divisive Reorganization by the board of directors of Distributing.

(6) Delayed satisfaction of Distributing Debt. If applicable, submit the following **REPRESENTATIONS:** *There are one or more substantial business reasons for any delay in satisfying Distributing Debt with § 361 Consideration beyond 30 days after the date of the first distribution of Controlled stock to Distributing's shareholders. All the Distributing Debt that will be satisfied with § 361 Consideration will be satisfied no later than 180 days after such distribution.* The taxpayer should submit information and analysis to establish the substantial business reasons for any delay in satisfying Distributing Debt after the 30-day period beginning on the date of the first distribution of Controlled stock to Distributing's shareholders. If satisfaction of any Distributing Debt with § 361 Consideration will occur more than 180 days after the date of such first distribution, the taxpayer should submit information and analysis to establish that, based on all the facts and circumstances, the satisfaction will be in connection with the plan of reorganization. Documentation of the matters described in this section 3.04(6) should be submitted only if requested.

(7) No replacement of Distributing Debt. Submit the following **REPRESENTATION:** *Distributing will not replace any Distributing Debt that will be assumed or satisfied with previously committed borrowing, other than borrowing in the ordinary course of business pursuant to a revolving credit agreement or similar arrangement.* The purpose of this representation is to establish that the application of § 361 to the proposed transactions is consistent with the purposes of § 361. If

Distributing is a prospective borrower under a revolving credit agreement or similar arrangement, the taxpayer should submit information and analysis to establish that the agreement or arrangement was not entered into, and amounts of borrowing provided for therein were not increased, in a transaction related to the Divisive Reorganization.

(8) General information and analysis. Submit information and analysis to establish that, under general principles of tax law, the transactions (including any exchange facilitated by an intermediary) should not be recast, recharacterized, or otherwise treated as one or more transactions that would not qualify under the relevant provisions of the Code.

SECTION 4. ADDITIONAL APPLICATION AND PROCEDURES

.01 Ruling requests to which procedures apply.

The procedures described in section 4.02 of this revenue procedure apply to a request for rulings for a Section 355 Transaction. For purposes of this section 4, any defined term has the meaning provided in section 2 of the Appendix to Rev. Proc. 2017-52.

.02 Procedures.

In a request for rulings described in section 4.01 of this revenue procedure, the taxpayer should submit the documentation, factual information, legal analysis, and representations set forth in Rev. Proc. 2025-1 and Rev. Proc. 2017-52. In addition, the taxpayer should submit the representations described in section 4.03 of this revenue procedure.

.03 Representations, information, and analysis.

The representations, information, and analysis described in paragraphs (1) through (6) of this section 4.03 should be submitted. With respect to these representations, the

taxpayer should follow the procedures in section 3.04 of Rev. Proc. 2017-52.

(1) Control requirements. Submit the following **REPRESENTATIONS**: *In the Distribution, Distributing will distribute on the same day all the stock and securities of Controlled that it holds immediately before the Distribution. No indebtedness owed by Controlled to Distributing after the Distribution will constitute stock or securities of Controlled or any other entity.*

(2) Section 357(b). Submit the following **REPRESENTATION**: *Any Liabilities assumed (within the meaning of § 357(d)) by Controlled were incurred in the ordinary course of business and are associated with any assets transferred.*

(3) Sections 357(c) and 361(b)(3). Submit the following **REPRESENTATION**: *The total adjusted basis and the fair market value of assets transferred by Distributing to Controlled will each equal or exceed the sum of (a) the total amount of the Liabilities assumed (within the meaning of § 357(d)) by Controlled, and (b) the total amount of any money and the fair market value of other property, if any, received by Distributing and transferred to its shareholders and its creditors.*

(4) Sections 361(b)(3) and (c)(3). Submit the following **REPRESENTATION**: *Any Other Property issued or transferred by Controlled to Distributing in pursuance of the plan of reorganization will be transferred by Distributing to its shareholders in pursuance of the plan of reorganization or to its creditors in connection with the reorganization.*

(5) Controlled securities. Submit the following **REPRESENTATION**: *Any securities issued by Controlled to Distributing in pursuance of the plan of reorganization will be transferred by Distributing to its shareholders in pursuance of the plan of reorganization or to its creditors in connection with the reorganization.*

(6) Solvency of Distributing and Controlled. Submit the following

REPRESENTATION: *Immediately after the transaction, the fair market value of the assets of each of Distributing and Controlled will exceed the amount of its Liabilities.*

SECTION 5. MODIFICATIONS TO REVENUE PROCEDURE 2025-1

Rev. Proc. 2025-1 is modified as follows with respect to requests for private letter rulings postmarked or, if not mailed, received by the IRS after, September 29, 2025:

.01 Section 7.01(2)(a).

(1) First paragraph. Section 7.01(2)(a) of Rev. Proc. 2025-1 is modified by deleting the second sentence of the first paragraph and adding the following in its place:

But see section 3.02 of Rev. Proc. 2017-52, 2017-41 I.R.B. 283, and sections 3.03 and 4.02 of Rev. Proc. 2025-30, ____ I.R.B. ____, for requirements relating to ruling requests under § 355.

(2) Second paragraph. Section 7.01(2)(a) of Rev. Proc. 2025-1 is further modified by deleting the second paragraph and adding the following in its place:

If the request concerns a corporate distribution, reorganization, or similar transaction, the corporate balance sheet and profit and loss statement also should be submitted. If the request relates to a prospective transaction, the most recent balance sheet and profit and loss statement should be submitted. See section 3.02 of Rev. Proc. 2017-52, and sections 3.03 and 4.02 of Rev. Proc. 2025-30, for requirements relating to ruling requests under § 355.

.02 Appendix F. Section .01 of Appendix F to Rev. Proc. 2025-1 is modified as follows:

(1) In the column titled REVENUE PROCEDURE AND NOTICE, in the text corresponding to “Subchapter C—Corporate Distributions, Adjustments, Transfers, and

Reorganizations” found in the column CODE OR REGULATION SECTION, by deleting the text and adding the following text in its place:

Rev. Proc. 77-37, 1977-2 C.B. 568, as amplified by Rev. Proc. 77-41, 1977-2 C.B. 574, and Rev. Proc. 83-81, 1983-2 C.B. 598, and as modified by Rev. Proc. 89-30, 1989-1 C.B. 895 (see also Rev. Proc. 2025-3, this Bulletin), Rev. Proc. 84-42, 1984-1 C.B. 521 (superseded, in part, as to no-rule areas by Rev. Proc. 2018-3), Rev. Proc. 86-42, 1986-2 C.B. 722, Rev. Proc. 89-50, 1989-2 C.B. 631, Rev. Proc. 2017-52, 2017-41 I.R.B. 283, and Rev. Proc. 2025-30, ____ I.R.B. ____.

(2) In the column titled REVENUE PROCEDURE AND NOTICE, in the text corresponding to “355 Checklist questionnaire” found in the column CODE OR REGULATION SECTION, by deleting the text and adding the following text in its place:

Rev. Proc. 2017-52, 2017-41 I.R.B. 283, and Rev. Proc. 2025-30, ____ I.R.B. ____.

SECTION 6. MISCELLANEOUS

Taxpayers and their advisers are encouraged to contact the Office of Associate Chief Counsel (Corporate) with questions and comments regarding these matters. Taxpayers seeking rulings described in section 3.01 or 4.01 of this revenue procedure are encouraged to request pre-submission conferences. See section 10.07 of Rev. Proc. 2025-1.

SECTION 7. EFFECT ON OTHER DOCUMENTS

Notice 2024-38 is revoked. With respect to requests for private letter rulings postmarked or, if not mailed, received by the IRS after September 29, 2025, Rev. Proc. 2025-1 and Rev. Proc. 2017-52 are modified, and Rev. Proc. 2024-24 is superseded.

SECTION 8. EFFECTIVE DATE

This revenue procedure will apply to all ruling requests postmarked or, if not mailed,

received by the IRS after September 29, 2025. If a ruling request described in section 3.01 or 4.01 of this revenue procedure is pending on such date, the taxpayer may consider a supplemental submission with the representations, information, and analysis described in sections 3.04 and 4.03 of this revenue procedure (to the extent this material has not been submitted).

SECTION 9. PAPERWORK REDUCTION ACT

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) (PRA) generally requires that a Federal agency obtain the approval of the Office of Management and Budget (OMB) before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. 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 control number assigned by OMB.

The collections of information in this revenue procedure are in sections 3 and 4. This information is required to determine whether a taxpayer would qualify for tax-free treatment to the extent allowed under §§ 357 and 361. The collections of information are required to obtain a benefit. The likely respondents are corporations that control another corporation, as well as the management of the corporation the stock of which is distributed or that controls the corporation the stock of which is being distributed. These collection requirements supplement the existing collection requirement in Rev. Proc. 2025-1, which is included in the OMB Control Number 1545-1522.

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 26

U.S.C. 6103.

SECTION 10. DRAFTING INFORMATION

The principal author of this revenue procedure is Grid Glycer of the Office of Associate Chief Counsel (Corporate). For further information regarding this revenue procedure, please contact Mr. Glycer at (202) 317-3181.