

Guidance Under Section 355(e); Recognition of Gain on Certain Distributions of Stock or Securities in Connection With an Acquisition; Withdrawal of Proposed Rulemaking

Announcement 2001-11

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws the notice of proposed rulemaking relat-

ing to recognition of gain on certain distributions of stock or securities of a controlled corporation in connection with an acquisition that was published in the **Federal Register** on August 24, 1999. The withdrawal is in response to written comments received and oral comments presented at a public hearing.

EFFECTIVE DATE: These regulations are effective January 2, 2001.

FOR FURTHER INFORMATION CONTACT: Brendan O'Hara, (202) 622-7530 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On August 24, 1999, the IRS issued proposed regulations (REG-116733-98, 1999-2 C.B. 392) in the **Federal Register** (64 F.R. 46155) under section 355(e), relating to the recognition of gain on certain distributions of stock or securities in connection with an acquisition of stock of the distributing corporation or of stock of the

corporation whose stock is distributed. In response to written comments received and comments presented at a public hearing, these proposed regulations are being withdrawn. New proposed regulations (REG-107566-00) covering the same matters as the withdrawn proposed regulations were being issued in 2001-3 I.R.B. 346.

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Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805 and 26 U.S.C. 355(e)(5), the notice of proposed rulemaking (REG-116733-98) that was published in the **Federal Register** on August 24, 1999 (64 F.R. 46155) is withdrawn.

Robert E. Wenzel,
*Deputy Commissioner
of Internal Revenue.*

(Filed by the Office of the Federal Register on December 29, 2000, 8:45 a.m., and published in the issue of the Federal Register for January 2, 2001, 66 F.R. 76)