



## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-112261-24; REG-116085-23]

RIN 1545-BR32; 1545-BR00

### Guidance Regarding Certain Matters Relating to Nonrecognition of Gain or Loss in Corporate Separations, Incorporations, and Reorganizations; Multi-Year Reporting Requirements for Corporate Separations and Related Transactions; Withdrawal

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Withdrawal of notices of proposed rulemaking.

**SUMMARY:** This document withdraws a notice of proposed rulemaking containing proposed regulations relating to corporate separations, incorporations, and reorganizations qualifying, in whole or in part, for nonrecognition of gain or loss. This document also withdraws a notice of proposed rulemaking containing proposed regulations that would have required multi-year tax reporting for corporate separations and related transactions. The proposed regulations would have affected corporations and their shareholders and security holders.

**DATES:** The notices of proposed rulemaking published in the ***Federal Register*** on January 16, 2025 (90 FR 5220 and 90 FR 4687), are withdrawn as of **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** Send paper submissions to CC:PA:01:PR (REG-112261-24 and REG-116085-23), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. All public comments received with respect to the notices of proposed rulemaking (REG-112261-24 and REG-116085-23) are available to

review at <https://www.regulations.gov> by searching the Docket ID numbers (IRS-2025-0017 and IRS-2025-0015, respectively).

**FOR FURTHER INFORMATION CONTACT:** Justin R. Du Mouchel at (202) 317-6975 (not a toll-free number).

## **SUPPLEMENTARY INFORMATION:**

### **Background**

On January 16, 2025, the Treasury Department and the IRS published a notice of proposed rulemaking (REG-112261-24) in the ***Federal Register*** (90 FR 5220) setting forth proposed regulations under sections 355, 357, 361, and 368 of the Code regarding certain matters relating to corporate separations, incorporations, and reorganizations qualifying, in whole or in part, for nonrecognition of gain or loss (proposed technical regulations) and requesting public comment.

On the same date, the Treasury Department and the IRS also published a notice of proposed rulemaking (REG-116085-23) in the ***Federal Register*** (90 FR 4687) setting forth proposed regulations that would require multi-year tax reporting for corporate separations and related transactions (proposed reporting regulations). The proposed reporting regulations were consistent with recommendations set forth in a report published by the Treasury Inspector General for Tax Administration titled “A Strategy Is Needed to Assess the Compliance of Corporate Mergers and Acquisitions with Federal Tax Requirements,” Ref. No. 2019-30-050 (Sept. 5, 2019).

The Treasury Department and the IRS received several comments in response to the proposed technical regulations and the proposed reporting regulations, which generally were critical of the proposed guidance. In response to the comments received, the Treasury Department and the IRS are withdrawing the proposed regulations.

### **Drafting Information**

The principal author of this notice is Justin R. Du Mouchel of the Office of Associate Chief Counsel (Corporate). However, other personnel from the Treasury Department and the IRS participated in its development.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Withdrawal of Proposed Amendments to the Regulations**

Under the authority of 26 U.S.C. 7805, the notices of proposed rulemaking (REG-112261-24 and REG-116085-23) that were published in the ***Federal Register*** on January 16, 2025 (90 FR 5220 and 90 FR 4687), are withdrawn.

**Edward T. Killen,**

*Acting Chief Tax Compliance Officer.*

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