
26 CFR 601.201: Rulings and determinations letters.

Rev. Proc. 96-56

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 (“Code”) under the jurisdiction of the Associate Chief Counsel (Employee Benefits and Exempt Organizations) in which the Internal Revenue Service will not issue advance rulings.

Section 2. BACKGROUND

Rev. Proc. 96-3, section 5, lists specific areas in which rulings or determi-

nation letters will not be issued because the areas are under extensive study. This revenue procedure adds a subparagraph for certain rulings involving § 457 nonqualified deferred compensation plans of state and local government and tax-exempt entities. The Small Business Job Protection Act of 1996, P.L. 104-188 (“SBJPA”) has substantially changed the requirements for state and local government plans that meet the requirements of § 457(b) by mandating that all assets and income of these plans be held in trust for the exclusive benefit of the participants and their beneficiaries. The SBJPA has also added other provisions which are now available for use in all plans that meet the requirements of § 457(b).

Section 3. PROCEDURE

Rev. Proc. 96-3 is amplified by adding to section 5 the following: Section 457. Deferred Compensation Plans of State and Local Government and Tax-Exempt Organizations. The tax effect of provisions under the Small Business Job Protection Act affecting plans described in § 457. Taxpayers may, however, still receive advance rulings on § 457 plans based on the law in effect prior to enactment of the Small Business Job Protection Act.

Section 4. EFFECTIVE DATE

This revenue procedure applies to all ruling requests, including any pending in the National Office before December 16, 1996. In pending cases, taxpayers may withdraw their ruling request from con-

sideration and obtain a refund of their user fee. If the ruling request is not withdrawn, the ruling will analyze the taxpayer’s plan under the law in effect before the enactment of the SBJPA.

Section 5. EFFECTS ON OTHER REVENUE PROCEDURES

Rev. Proc. 96-3 is amplified.

DRAFTING INFORMATION

The principal author of this revenue procedure is Cheryl Press of the Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further information regarding this revenue procedure, contact Cheryl Press at (202) 622-6030 (not a toll-free number).
