



TaxNewsFlash

United States

No. 2016-436
September 27, 2016

Notice 2016-59: User fees for substantially identical letter rulings, for foreign insurance excise tax waiver agreement

The IRS today released an advance version of Notice 2016-59 announcing: (1) a reduced user fee of \$2,700 for substantially identical letter rulings for all requesting taxpayers, after the first standard user fee of \$28,300 has been paid; and (2) a decreased user fee of \$7,200 for a foreign insurance excise tax waiver agreement.

Background

The current schedule of user fees for letter rulings from the IRS is provided in Rev. Proc. 2016-1. Under that guidance, a reduced user fee is available for certain substantially identical letter rulings requested for multiple entities with a common member or sponsor or by multiple members of a common entity.

If the requirements of Rev. Proc. 2016-1 are satisfied, the user fee for each additional substantially identical letter ruling—after the \$28,300 user fee is paid for the first letter ruling request—is \$2,700 for requests received after February 1, 2015.

Reduced user fee

[**Notice 2016-59**](#) [PDF 23 KB] expands the circumstances that will qualify for a reduced user fee for a substantially identical letter ruling. Notice 2016-59 provides that a reduced user fee of \$2,700 will apply for substantially identical letter rulings that are requested by taxpayers that are parties engaged together in the same transaction affecting all requesting taxpayers.

This additional basis for qualifying for a reduced user fee will be included in Rev. Proc. 2017-1, but is effective immediately for qualifying taxpayers. Taxpayers, thus, may rely on today's notice for purposes of requesting a reduced user fee.

The reduced user fee for substantially identical letter rulings is effective for letter ruling requests received on or after September 27, 2016, and requests pending with the IRS as of September 27, 2016.

Foreign insurance excise tax waivers

Rev. Proc. 2016-1 established the user fee for requesting a foreign insurance excise tax waiver agreement received on or after February 2, 2015, at \$8,000. Effective for requests received on or after February 4, 2016, the user fee is decreased to \$7,200. However, this decreased user fee was “inadvertently omitted from Rev. Proc. 2016-1.” Today’s notice corrects this omission.

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