



# TaxNewsFlash

## United States

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### Section 385 update: Ways and Means Republicans' letter to administration

The House Ways and Means Committee today released a letter that Republican members of the committee wrote to Treasury Secretary Jacob Lew and Office of Management and Budget (OMB) Director Shaun Donovan reiterating their concern about the administration's plans to move forward to finalize regulations under section 385.

The Ways and Means Republican members' letter comes after the Treasury Department on September 30, 2016, submitted final regulations to OMB for review. Read [TaxNewsFlash-United States](#).

Excerpts from the letter appear on the [release](#) on the Ways and Means website:

*"We believe that **getting the rules right is of paramount importance** and doing so should be the top priority. Treasury has received thousands of pages of comments on these proposed regulations from across the spectrum of businesses large and small. Those comments make clear that **addressing the problems that have been identified and eliminating the potential for real economic harm will require a complete overhaul of the proposed rules**. Against this backdrop, we are convinced that getting the rules right will require further engagement with stakeholders to prevent irreparable damage to business and jobs here at home ... **We urge you not to finalize the Section 385 regulations in haste.**"*

\* \* \*

*"Any **revised rules should be issued as proposed regulations only**, which should be finalized only after the vetting necessary to ensure that the rules are right."*

[Emphasis added by Ways and Means.]

Read text of the [letter](#) [PDF 973 KB].

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