

MEMO# 35472

October 3, 2023

US Treasury and IRS Release 2023-2024 Priority Guidance Plan

[35472]

October 03, 2023

TO: Tax Committee SUBJECTS: Fund Accounting & Financial Reporting
Tax RE: US Treasury and IRS Release 2023-2024 Priority Guidance Plan

The Treasury Department and the Internal Revenue Service ("IRS") have released the [2023-2024 Priority Guidance Plan](#), listing their priorities for tax regulations and other administrative guidance through June 2024. Several projects of interest to funds and fund shareholders, which have been requested by the Institute,[\[1\]](#) are included in the plan:[\[2\]](#)

- Guidance under the provisions of Part 2 of Subtitle A of the Inflation Reduction Act regarding computation and reporting of the excise tax under §4501 on the repurchase of corporate stock.
- Regulations relating to the requirements under §355, including the active trade or business requirement and the prohibition on device for the distribution of earnings and profits.
- Final regulations under §305(c) regarding the amount and timing of deemed distributions from conversion ratio adjustments on convertible debt and stock.
- Guidance regarding application of the cure provisions under §851(i) for regulated investment companies (RICs).
- Regulations under §301.7701-3 regarding RICs.
- Guidance relating to the diversification requirements under §817(h) for certain mortgage-backed securities purchased in the To-Be-Announced (TBA) market and for certain TBA contracts.

The 2023-2024 Priority Guidance Plan includes several other items of interest to funds, fund shareholders, and management companies:

- Regulations under §1001 on the modification of debt instruments.
- Guidance on the treatment of fees relating to debt instruments and other securities.
- Guidance on the tax treatment of transactions involving digital assets.
- Regulations under §871(m), including with respect to non-delta-one transactions.
- Guidance updating Rev. Proc. 2015-40, providing the procedures for requesting and obtaining assistance from U.S. competent authority under U.S. tax treaties.
- Revenue procedure under §446, updating Rev. Proc. 2015-13, providing procedures

and rules for automatic and non-automatic changes in method of accounting.

Katie Sunderland
Associate General Counsel

Keith Lawson
Deputy General Counsel - Tax Law

Notes

[\[1\]](#) The Institute's recommendations for the 2023-2024 Guidance Priority Plan are attached.

[\[2\]](#) A separate memorandum will discuss the plan's retirement savings items.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.