



# TaxNewsFlash

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## Section 385 update: Hatch letter to Treasury regarding regulatory process

Senate Finance Committee Chairman Hatch (R-UT) today sent Treasury Secretary Lew a letter with a series of questions he requested be answered no later than December 2, 2016, and before any final regulations are promulgated under section 385.

The [letter](#) requests, for example, information about the recent change in designation of the section 385 regulations from “not economically significant” to “economically significant”; whether Treasury views the regulations as interpretive or legislative; and whether Treasury takes the position that there could be multiple permissible interpretations of section 385 within Treasury regulations.

The letter also includes questions about the tax regulatory review process and an agreement between Treasury and OMB dating back to 1983 relating to tax regulations.

Read [Section 385 update: Treasury’s regulatory guidance process](#) for more information about these topics.

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