

More on Partnerships to Avoid *General Utilities* Repeal

by Robert W. Wood • Bancroft & McAlister

Shortly after proposing regulations under Section 337(d) dealing with the use of partnerships to avoid *General Utilities* repeal (see “Prop. Regs. Address Use of Partnerships to Avoid *General Utilities* Doctrine Repeal,” 1 *M&A Tax Rep’t* 7 (February 1993), p. 1), the Service announced that further study is warranted for cases in which affiliation results from a distribution of stock by a partnership to a corporate partner. Notice 93-2, 1993-3 IRB 11, indicates that the proposed regulations will be amended to limit their application only to transactions in which affiliation exists immediately before the deemed redemption or distribution. ■
