

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

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Person to Contact:

Telephone Number:

Refer Reply To:
CC:DOM:CORP:3-PLR-100710-00
Date:
April 20, 2000

Shareholder =

Parent =

Distributing =

Controlled =

Disregarded Entity =

=

Operating =

Merger Sub =

Country X =

State Y =

State Z =

Jurisdiction A =

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Year 1 =
Year 2 =
Date 1 =
Date 2 =
a =
b =
c =
d =
e =
f =

Dear

This letter replies to a letter from your authorized representative dated December 22, 1999, requesting that we supplement our ruling letter dated December 9, 1999, Control Number PLR-106450-99 (published as PLR 200010028) (“the Prior Ruling Letter”). The Prior Ruling Letter concerned certain federal income tax consequences of a corporate separation under § 355 of the Internal Revenue Code. All statements and representations set forth in the Prior Ruling Letter are still valid except as set forth below.

The first line of page 3 of the Prior Ruling Letter should read “single-member Jurisdiction A corporation” rather than “single-entity State A corporation”.

The name of “Disregarded Entity” in the legend of the Prior Ruling letter should be corrected to the name given to Disregarded Entity in the above legend.

In light of the additional information submitted, the year supplied to “Year 2” in the legend of the Prior Ruling Letter has been amended to the year given to “Year 2” in the above legend.

Paragraph (ix) on page 4 of the Prior Ruling Letter reads as follows:

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- (ix) Parent will transfer all of the shares of the Distributing Special Preferred Stock and a fixed percentage of the shares of Distributing new common stock to Controlled in exchange for additional shares of common stock of Controlled.

Paragraph (ix) on page 4 should be amended to read as follows:

- (ix) Parent will transfer all of the shares of the Distributing Special Preferred Stock and a fixed percentage of the shares of Distributing common stock to Controlled in exchange for additional shares of common stock of Controlled.

In the Prior Ruling Letter, ruling (10) on page 10 read as follows:

- (10) Provided that Controlled attaches a statement to its timely filed (including extensions) federal income tax return agreeing that Controlled will treat a disposition of part or all of the stock or securities of either (or a successor-in-interest) or Disregarded Entity (or a successor-in-interest), as a “disposition” for purposes of § 1.884-2T(d)(5)(i), then Distributing’s transfer of the stock to Controlled will not be treated as a “disposition” of stock under § 1.884-2T(d)(5)(i). If in the future is liquidated into Controlled in a liquidation under § 332, such liquidation of will be treated as a “disposition” for purposes of § 1.884-2T(d)(5)(i), notwithstanding § 1.884-2T(d)(5)(ii).

This ruling should be amended by adding the following sentence at its conclusion:

This ruling is in lieu of and replaces Ruling 2 of the Date 2 Transaction Ruling, Control Number PLR-119706-98 (published as PLR 199941035), for transfers occurring after Distributing’s transfer of the stock to Controlled.

Other than ruling (10) which is modified as stated above, all of the rulings in the Prior Ruling Letter remain in full force and effect.

No opinion is expressed about the tax treatment of any of the transactions described herein under other provisions of the Code and regulations, or about the tax treatment of any conditions existing at the time of, or effects resulting from, the transactions not specifically covered by the above ruling.

This ruling letter is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

Each affected taxpayer must attach a copy of this letter to the taxpayer's federal income tax return for the tax year in which the transaction covered by this ruling letter is

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consummated.

We are sending a copy of this letter to the authorized representative specified in the power of attorney on file in this office.

Sincerely yours,

Assistant Chief Counsel (Corporate)

By _____

Ken Cohen

Senior Technician Reviewer, Branch 3