

Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

[Third Party Communication:
Date of Communication: Month DD, YYYY]

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PA:02
PLR-104257-12
Date:
October 01, 2012

Legend

Taxpayer =

Dear :

This is to notify you that private letter ruling PLR 201021018 (PRL-147680-09) dated February 5, 2010 issued in response to Taxpayer's request dated October 8, 2009 is hereby revoked. The letter ruling is being revoked because it is not in accord with the current views of the Service. See Section 11.04 of Rev. Proc. 2012-1, 2012-1 I.R.B. 1, 50.

Our previous letter ruled that discharges made by Taxpayer were triggered by operation of state law, and that the reporting requirements of section 6050P did not apply. It is the current view of the Service, however, that the discharges occurred not by operation of state law but rather as a result of an agreement by the parties to discharge the debt. Therefore, the transaction was an "identifiable event" under Treas. Reg. § 1.6050P-1(b)(2) and the reporting requirements apply.

Section 7805(b) provides that the Secretary of the Treasury may prescribe the extent to which any ruling or regulation relating to the internal revenue laws may be applied without retroactive effect. Section 11.04 of Rev. Proc. 2012-1 provides, in part, that if a letter ruling is revoked, the revocation applies to all years open under the statute, unless the Service uses its discretionary authority under section 7805(b) to limit the revocation's retroactive effect. Section 11.06 of Rev. Proc. 2012-1 provides that where the revocation is for reasons other than a change in facts described in section 11.05, it generally will not be applied retroactively provided that: (1) there has been no change in the applicable law; (2) the letter ruling was originally issued for a proposed transaction; and (3) the taxpayer directly involved in the letter ruling acted in good faith in relying on the letter ruling, and revoking the ruling retroactively would be to the taxpayer's detriment.

Because the factors in section 11.06 of Rev. Proc. 2012-1 have been satisfied, pursuant to the authority contained in section 7805(b), the revocation of the February 5, 2010 letter will not be applied retroactively.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Charles A. Hall
Senior Technician Reviewer, Branch 1
(Procedure & Administration)

Enclosures:
Copy of letter
Copy of letter for section 6110 purposes

cc: