

Internal Revenue Service**Department of the Treasury**

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Washington, DC 20224

Person to Contact:

Telephone Number:
(202) 622-7900
Refer Reply To:
CC:ITA:2 – PLR-152367-01
Date:
December 10, 2001

Dear

requested a private ruling on your behalf in a letter dated September 24, 2001. Their letter states that they prepared your federal income tax return for 1998 with an error electing to include the entire amount of net capital gain reported on line 4.c. in investment income reported on line 4.e. This error occurred in part because of a mistake by a staff member and in part because of a problem with the computer program used to produce the return. You have requested permission to revoke this election.

Section 163(d)(4)(B)(iii) of the Internal Revenue Code includes in "investment income" so much of certain net capital gain as the taxpayer elects to take into account under that clause. Section 1.163(d)-1(c) of the Income Tax Regulations permits the taxpayer to revoke this election with the consent of the Commissioner. This letter grants permission to revoke the election on behalf of the Commissioner.

CAVEATS:

A copy of this letter must be attached to any income tax return to which it is relevant. We enclose a copy of the letter for this purpose. Also enclosed is a copy of the letter ruling showing the deletions proposed to be made in the letter when it is disclosed under § 6110 of the Internal Revenue Code.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any item discussed or referenced in this letter. This ruling is directed only to the taxpayer(s) requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

Sincerely,
Clifford M. Harbourt
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosures (2)