

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:IT&A:07-PLR-106731-00

Date:
July 21, 2000

Legend:

X =

Date 1 =

Dear :

This letter is in reply to a request made on behalf of X for consent to an election, pursuant to § 455(c) of the Internal Revenue Code and the Income Tax Regulations thereunder, to apply § 455 to its prepaid subscription income for the taxable year ending Date 1. Section 455 provides that prepaid subscription income shall be included in gross income in the taxable years during which the liability to furnish or deliver a newspaper, magazine, or other periodical exists.

X provides information services through newsletters, magazines, books and radio programs to individuals, companies and financial institutions in the agricultural industry. X receives prepaid subscription income in connection with its various publications and accounts for this income using the prepaid subscription deferred method. X reports income for federal income tax purposes under an accrual method of accounting.

Based on the specific information presented and representations made, consent is hereby granted to X's election to apply section 455 to prepaid subscription income received, effective for the taxable year ending Date 1.

No opinion is expressed as to the application of any other provisions of the Code or the regulations which may be applicable to this request. Pursuant to a power of attorney on file with this office, a copy of this ruling is being sent to X's authorized representative.

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

Sincerely yours,
Thomas A. Luxner
Chief, Branch 7
Office of Associate Chief Counsel
(Income Tax & Accounting)