

**Office of Chief Counsel
Internal Revenue Service
Memorandum**

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CC:LB&I:HMP:NEW:2:FPetrino

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to: Howard Pluskalowski, Team Manager, LB&I:HMP:1519

from: Frederick Petrino
Senior Attorney (Newark, Group 2)
(Large Business & International)

subject:

Tax years ending December 31, Year 1 through December 31, Year 3 (in this document, the tax years at issue are referred to as year XXX1, XXX2 and XXX3, respectively).

Index (UIL) No. 45O.00-00

This memorandum responds to your request for advice regarding whether the taxpayer is entitled to the Agricultural Chemicals Security Credit for the tax years at issue. The advice in this memorandum is conditioned on the accuracy of the facts you presented to us. If you determine that these facts are incorrect, you should not rely on this advice.

[REDACTED]

I. Facts

During the course of the examination, (the "taxpayer") filed a claim for refund claiming entitlement to the Agricultural Chemicals Security Credit for the XXX1, XXX2, and XXX3 tax years under the provisions of I.R.C. § 450. The refund claim was based on a study performed by

on behalf of the taxpayer. The study concluded that the taxpayer qualified for the credit for the tax years at issue.

The taxpayer is in the trade or business of manufacturing and distributing

The taxpayer asserts that it manufactures and distributes specified agricultural chemicals as defined in I.R.C. § 450(f). More specifically, the taxpayer manufactures the following chemicals (the "Chemicals"):

The taxpayer believes that each of these chemicals is a "specified agricultural chemical" as defined under Section 450(f). Accordingly, the taxpayer takes the position that is in the business of manufacturing and distributing "specified agricultural chemicals," and that it is an "eligible agricultural business" under I.R.C. § 450.

The company manufactured the chemicals at various locations across the United States and distributed them to users. The taxpayer operated production facilities and that

. During tax years XXX1 , XXX2 and XXX3 , the Company operated , respectively. The

The

The produce chemicals that can be stored as in storage tanks on site and are distributed via . Each production location varies in size and consists of a processing center and a number of storage tanks. Each processing center is an independent unit owned or operated by the Company.

From tax years XXX1 through XXX3 , the taxpayer also maintained storage tanks and storage tanks at its manufacturing locations. The taxpayer believes that each storage tank and is a separate integrated unit requiring their own security measures. The taxpayer also transports these chemicals in various types of transportation