

Office of Chief Counsel  
Internal Revenue Service

# Memorandum

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CC:LB:1:MAN:1:SHAKyali  
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date: April 11, 2018

to: Roy Metcalfe  
Financial Products Team Manager 1909, Territory 1

from: Suzan Akyali  
Attorney (Manhattan)  
(Large Business & International)

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subject: **Taxpayer:**  
**Tax Years:**  
**UIL:** 162.00-00, 263A.00-00

## INTRODUCTION:

The Large Business and International (“**LB&I**”) operating division of the Internal Revenue Service (the “**Service**”) is currently examining the U.S. federal income tax returns of (the “**Taxpayer**”) for the taxable years ended . This memorandum responds to your request regarding the U.S. federal income tax treatment of the commitment fees paid by the Taxpayer in connection with a revolving credit facility. The advice rendered in this memorandum is conditioned on the accuracy of the facts presented to us. If the facts are different from the facts set forth below, you should immediately advise us.

**This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney client and attorney work product privileges. Accordingly, this memorandum is not to be distributed to the Taxpayer. If disclosure becomes necessary, please contact this office for our views.**

## ISSUE:

The issue is whether the Taxpayer is entitled to deduct the quarterly commitment fees paid on the Taxpayer’s revolving credit facility in