

INTERNAL REVENUE SERVICE

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[REDACTED]
[REDACTED] (202) 622-3110

CC:DOM:P&SI:6-COR-107392-00

April 13, 2000

Re: Request to Revoke Section 179 Election

[REDACTED] (Taxpayer)

Tax Year: 1998

Dear [REDACTED]

This letter is in response to a letter dated February 23, 2000, submitted on your behalf and addressed to Commissioner of Internal Revenue, requesting permission to revoke the election made under section 179 of the Internal Revenue Code on your 1998 federal income tax return. Specifically, you asked the Commissioner to reduce the section 179 election amount that was claimed on section 179 property placed in service by you during 1998. You have indicated that for 1998 you and your spouse filed separate income tax returns. In order for us to respond to your specific request, you must submit a request for a private letter ruling. Your request must comply with all the requirements of section 8 of Revenue Procedure 2000-1, 2000-1 I.R.B. 4. We hope that you find the following general information to be helpful.

Rev. Proc. 2000-1 provides the general procedures the Internal Revenue Service follows in issuing rulings and the related instructions for the submission of ruling requests by taxpayers. In addition, taxpayers are required by statute to pay user fees for requests for letter rulings. Under section 15 of Rev. Proc. 2000-1, the user fee must accompany the request in order to be processed by the Service. In general, the user fee for private letter rulings is \$5,000. However, there is a reduced fee of \$500 for a request involving a business-related tax issue from a taxpayer with a gross income of less than \$1 million. See Appendix A of Rev. Proc. 2000-1. A copy of Rev. Proc. 2000-1 is enclosed.

I am also enclosing a copy of section 179 of the Code and the regulations under that section. You may find section 179(c)(2) of particular interest. Under section 179(c)(2), an election made under section 179, and any specification contained in any such election, may not be revoked except with the consent of the Commissioner. Such

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consent to revoke an election under section 179, however, will be granted only in extraordinary circumstances (Emphasis added). See section 1.179-5(b) of the Income Tax Regulations.

If you should decide to request a private letter ruling, section 8.03(1) of Rev. Proc. 2000-1 provides information as to where to send the request. Also, as we have noted above, section 8 of Rev. Proc. 2000-1 provides general instructions for requesting a private letter ruling. If you should decide not to submit a private letter ruling requesting the revocation or if your request for revocation is denied, the rules under section 179(b)(4) of the Code and section 1.179-2(b)(6) of the regulations would apply.

This letter has called your attention to certain general principles of tax law. It is intended for informational purposes only and does not constitute a ruling. See sections 2.01 and 2.04 of Rev. Proc. 2000-1. We hope the materials enclosed will be helpful to you; however, if you should have any additional questions or comments, please contact our office at (202) 622-3110.

In accordance with power of attorney on file with this office, a copy of this letter is being sent to your authorized representative, and a copy of this letter is being sent to District Director, North Central District, and to the Internal Revenue Service Center, Kansas City, MO.

Sincerely yours,

Charles B. Ramsey

CHARLES B. RAMSEY
Chief, Branch 6
Office of Assistant Chief Counsel
(Passthroughs and Special Industries)

Enclosures (3)