



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

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May 30, 2000
COR-108634-00
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Re: Information Request By Small Entities Under Section 213(a), P.L. 104-121, March 29, 1996

Dear [REDACTED]:

Thank you for your letter dated April 6, 2000, in which you seek clarification as to whether tuition fees paid by foreign students may be treated as qualified export receipts under the Domestic International Sales Corporation ("DISC") rules, specifically Internal Revenue Code § 993(a)(1) and the regulations thereunder, where as part of correspondence school degree programs authorized by the [REDACTED], lessons prepared in the United States are completed by students in foreign countries and subsequently sent back to the United States for grading.

Your inquiry presents a detailed question, which requires additional information in order to respond appropriately. We note that "qualified export receipts" as defined under I.R.C. § 993(a)(1) and Treasury Regulation § 1.993-1 generally includes income from the sale or lease of export property, or income from related and subsidiary services to qualifying sales or leases, or engineering or architectural services. Treas. Reg. § 1.993-1(b) - (i) (1982). Without additional information, however, we are unable to determine whether the tuition fees described above may be treated as qualified export receipts for purposes of determining DISC income.

In the event that you or your client would like the Internal Revenue Service National Office to interpret and apply the DISC regulations to a specific set of facts in a prospective situation, we invite you to submit a private letter ruling request. The guidelines for submitting private letter ruling requests are found in Revenue Procedure 2000-1, published by the Department of the Treasury in the January 3, 2000, edition of the Internal Revenue Bulletin.

COR-108634-00

2

This letter constitutes general information and cannot be relied upon for any purpose. Please contact the undersigned at (202) 874-1490 should you have additional questions or concerns.

Sincerely,

Elizabeth G. Beck, Badge No. 50-00444
Senior Technical Reviewer, Branch 6
Office of the Associate Chief Counsel
(International)