

INTERNAL REVENUE SERVICE

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[REDACTED]

CC:PSI:6-COR-128011-00

December 21, 2000

Re: Request to Revoke Section 179 Election

[REDACTED]

Tax Year: 1997

Dear [REDACTED]

This letter is in response to Taxpayer's letter dated November 6, 2000, to Commissioner of Internal Revenue, requesting permission to revoke the election made under section 179 of the Internal Revenue Code on his 1997 federal income tax return. In order for us to respond to Taxpayer's specific request, Taxpayer must submit a request for a private letter ruling. The 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 Rev. Proc. 2000-1 is enclosed.

I am also enclosing a copy of section 179 of the Code and the regulations under that section. Taxpayer 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 consent to revoke an election under section 179, however, will be granted only in

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extraordinary circumstances (Emphasis added). See section 1.179-5(b) of the Income Tax Regulations.

If Taxpayer 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.

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 the power of attorney on file with this office, a copy of this letter is being sent to Taxpayer.

Sincerely yours,

Charles B. Ramsey

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

Enclosures (3)