

INTERNAL REVENUE SERVICE

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[REDACTED]

CC:PSI:6-COR-129128-01

July 18, 2001

Re: Request to Revoke Section 179 Election

[REDACTED]

Tax Year: 1999

Dear [REDACTED]

This letter is in response to your representative's letter, dated May 16, 2001, to the Commissioner of Internal Revenue, requesting permission to revoke the election made under section 179 of the Internal Revenue Code on your 1999 federal income tax return. Specifically, the request is to revoke the section 179 election that was claimed on a digital x-ray system placed in service and used in your dental practice business during 1999. In order for us to respond to your specific request, you 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. 2001-1 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. 2001-1, the user fee must accompany the request in order to be processed by the Service. In general, the user fee is \$5,000 for private letter rulings mailed before March 1, 2001, and is \$6,000 for private letter rulings mailed on or after March 1, 2001. 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. 2001-1.

I am 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

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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 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. 2001-1 provides information as to where to send the request. Also, as we have noted above, section 8 of Rev. Proc. 2001-1 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. Specifically, this letter is neither a ruling under section 179 nor a ruling under section 44 on whether your digital x-ray system is eligible for the disabled access credit. 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 your authorized representative.

Sincerely yours,

Peter C. Friedman

PETER C. FRIEDMAN
Senior Technician Reviewer, Branch 6
Office of Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (3)