

## Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

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Date:

July 9, 2001

### LEGEND

Fund =

On January 6, 2000, the Internal Revenue Service issued LTR 200015014 (PLR-114797-99) to Fund. The purpose of this letter is to inform you that LTR 200015014 is hereby revoked in accordance with section 12.04 of Rev. Proc. 2001-1, 2001-1 I.R.B. 1 (January 2, 2001).

LTR 200015014 granted Fund, a partnership, rulings that (i) Fund's method of making reverse section 704(c) allocations is a reasonable method within the meaning of section 1.704-3(e)(3) of the Income Tax Regulations, and (ii) Fund may combine built-in gains and losses from qualified financial assets contributed to it with gains and losses from revaluations for purposes of performing aggregate allocations. However, LTR 200015014 did not sufficiently identify the partners of Fund or the assets contributed to Fund. Accordingly, LTR 200015014 is revoked.

Section 7805(b)(8) of the Code provides that the Secretary of the Treasury or his delegate may prescribe the extent, if any, to which any ruling (including any judicial decision or any administrative determination other than by regulation) relating to the internal revenue laws shall be applied without retroactive effect.

Section 12.04 of Rev. Proc. 2001-1 provides that a letter ruling found to be in error or not in accord with the current views of the Internal Revenue Service may be revoked or modified, unless it was part of a closing agreement. If a letter ruling is revoked, the revocation applies to all years open under the statute of limitations unless the Service uses its discretionary authority under section 7805(b) to limit the retroactive effect of the revocation. Section 12.05 provides that, except in rare or unusual circumstances, the revocation or modification of a letter ruling will not be applied retroactively to the taxpayer to whom the letter ruling was issued provided that, inter alia, the taxpayer relied in good faith on the letter ruling and revoking or modifying the letter ruling would be to the taxpayer's detriment. Section 12.11 prescribes the procedures for requesting relief under section 7805(b).

PLR-129091-01

Section 6110(k)(3) of the Code provides that this ruling may not be used or cited as precedent.

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

Sincerely yours,  
**/s/William P. O'Shea**  
Deputy Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures (2)  
Copy of this letter  
Copy for section 6110 purposes