



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

OFFICE OF  
CHIEF COUNSEL

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INTERNAL REVENUE SERVICE NATIONAL OFFICE CHIEF COUNSEL ADVICE

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MEMORANDUM FOR MARY JANE SCIASCIA  
TECHNICAL ADVISOR, LIFE INSURANCE

FROM: LON B. SMITH  
Acting Associate Chief Counsel (CC:FI&P)

SUBJECT: POSTF-159714-01

This memorandum constitutes Chief Counsel Advice. In accordance with section 6610(k)(3), this Chief Counsel Advice should not be cited as precedent.

LEGEND

Taxpayer =

Year 1 =

Year 2 =

The purpose of this memorandum is to alert you to a potential issue that may arise in the examination of Taxpayer's federal income tax return for Year 2.

In Year 1, Taxpayer filed Form 3115 (Application for Change in Accounting Method) with respect to eleven methods of accounting. Taxpayer requested these changes be effected with a Year 1 year of change and section 481(a) adjustments determined under Rev. Proc. 97-27, 1997-1 C.B. 680. In Year 2, Taxpayer filed a second Form 3115 requesting permission to change additional methods of accounting, this time with no section 481(a) adjustment.

On , our office executed and mailed to Taxpayer a Consent Agreement granting Taxpayer permission to effect of the requested changes in

accounting method, each with a Year 2 year of change. (Two items were determined not to be methods.) Taxpayer timely requested that we reconsider the terms and conditions set forth in that Consent Agreement.

Upon reconsideration, it was decided that the terms and conditions in the \_\_\_\_\_, agreement were appropriate, and that Taxpayer would be permitted to withdraw two of the requested changes. Accordingly, on \_\_\_\_\_, we executed and mailed to Taxpayer a second Consent Agreement granting permission to effect of the original \_\_\_\_\_ changes in accounting method.

After 45 days elapsed, Taxpayer signed and returned the Consent Agreement with a line through Ruling \_\_\_\_\_, the typewritten notation "withdrawn," and the initials of the officer who signed the agreement on behalf of Taxpayer.

We know of no provision of Rev. Proc. 97-27 that addresses the attempted modification of a consent agreement after it has been executed by the Service. It is possible this Taxpayer has no contingent liabilities to which Ruling \_\_\_\_\_ would apply. On the other hand, you may wish to consider this matter in the event you examine Taxpayer for Year 2.

Acting Associate Chief Counsel  
(Financial Institutions & Products)  
By: Mark S. Smith  
Chief, CC:FIP:4