



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

OFFICE OF
CHIEF COUNSEL

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The Honorable Arlen Specter
United States Senator
228 Walnut Street
P.O. Box 1092
Harrisburg, PA 17108

Attention: Mr. Doug Rice

Dear Senator Specter:

Thank you for your letter dated June 9, 2005, on behalf of your constituent, _____, on mutual fund transactions. _____ requested information pertaining to the requirements of specific identification in the sale of mutual fund shares.

Mr. Doug Rice, of your office, asked us to respond directly to _____. We spoke with _____ and explained to his satisfaction that his inquiry was answered in § 1.1012-1 of the Income Tax Regulations. We have forwarded a copy of § 1.1012-1 as well as Publication 564, Mutual Fund Distributions, to _____. We have enclosed a copy of our response and the materials provided to _____ for your records.

I hope this information is helpful. If you have any questions, please call me at _____ or _____, Identification Number _____, at _____.

Sincerely,

Edward S. Cohen
Deputy Associate Chief Counsel
(Income Tax & Accounting)

Enclosures (3)