

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Date:
June 16, 2008

A =

X =

Trust =

D1 =

Dear :

This responds to a letter dated February 11, 2008, submitted on behalf of A by A's authorized representative, requesting a ruling under § 1361 of the Internal Revenue Code.

The information submitted states that A is the beneficiary of Trust, which is represented as being a qualified subchapter S trust (QSST) which holds stock in X, a purported S corporation. A requests consent to revoke Trust's QSST election effective D1.

Section 1361(d)(2)(C) provides that a QSST election under § 1361(d)(2), once made, may be revoked only with the consent of the Secretary. Section 1.1361-1(j)(11) of the Income Tax Regulations provides that a QSST election may be revoked only with the consent of the Commissioner. The Commissioner will not grant a revocation when one of the purposes is the avoidance of federal income taxes or when the taxable year is closed. The application for consent to revoke the election must be submitted to the Internal Revenue Service in the form of a letter ruling request under the appropriate revenue procedure. The application must be signed by the current income beneficiary and must (i) contain the name, address, and taxpayer identification number of the current income beneficiary, the trust, and the corporation with respect to which the QSST election was made; (ii) identify the election being revoked as an election made under § 1361(d)(2); and (iii) explain why the current income beneficiary seeks to revoke

the QSST election and indicate that the beneficiary understands the consequences of the revocation.

Based solely on the facts and representations submitted, we conclude that A has met the requirements of § 1.1361-1(j)(11). Therefore, Trust's QSST election is revoked effective D1.

Except as specifically ruled above, we express no opinion concerning the federal tax consequences of the transactions described above under any other provisions of the Code. In particular, we express or imply no opinion on the validity of Trust's QSST election, its qualification as a QSST, or whether X is an S corporation.

This ruling is directed only to the taxpayer that requested it. Section 6110(j)(3) provides that it may not be used or cited as precedent.

Pursuant to a power of attorney on file, a copy of this letter is being sent to A's authorized representative.

Sincerely,

J. THOMAS HINES
Chief, Branch 2
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures: 2
Copy of this letter
Copy for § 6110 purposes

cc: