



OFFICE OF
CHIEF COUNSEL

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

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GENIN-139410-08

Dear _____ :

We received your letter dated _____, in which you expressed concern about a reference to a specific appraisal organization in recently-released proposed income tax regulations under § 170 of the Internal Revenue Code.

The proposed regulations are not effective until after they are published as final regulations. Section 1.170A-17(b)(1) of the proposed regulations provides that a qualified appraiser means an individual with verifiable education and experience in valuing the relevant type of property. Section 1.170A-17(b)(2)(i)(B) of the proposed regulations provides that an individual is treated as having education and experience in valuing the relevant type of property if the individual has either: (a) Successfully completed certain coursework and has certain experience; or (b) Earned a recognized appraisal designation for the relevant type of property. Section 1.170A-17(b)(2)(iii) of the proposed regulations provides that a recognized appraisal designation means a designation awarded by a recognized professional appraiser organization on the basis of demonstrated competency. The proposed regulations provide as examples of appraisers who would be considered to have earned recognized appraisal designations appraisers who have earned designations similar to an MAI, SRA, SREA or SRPA, which are designations provided by one particular organization. You indicate in your letter that this specific reference in §1.170A-17(b)(2)(iii) of the proposed regulations to designations awarded by one organization has caused confusion among some users of tax-related real property valuation services as to whether the Internal Revenue Service (Service) requires or prefers designations offered by this particular organization.

The Service does not consider any particular organization's recognized appraisal designations to be superior to, or preferred over, those of any other organization. The example was included in the proposed regulations merely as an illustration of the types of designations that would satisfy the education and experience requirement and was

not intended to indicate any preference for designations offered by a particular organization. In addition, the proposed regulation refers to designations "similar to" those provided as examples. The Service recognizes that there are other organizations awarding designations that also would be recognized professional appraiser organizations.

I hope that this addresses your concerns, and we look forward to receiving your additional written comments, which will be considered before any final regulations are issued. As indicated in the Notice of Proposed Rulemaking accompanying the proposed regulations, written comments and requests for a public hearing must be received by November 5, 2008.

If you have any further questions, please feel free to contact me at () .

Sincerely,

Susan J. Kassel
Senior Counsel, Branch 1
(Income Tax & Accounting)