



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

OFFICE OF  
CHIEF COUNSEL

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Dear \_\_\_\_\_ :

This letter responds to your letters dated October 27, October 29, and October 30, 2008. Our two previous responses set forth the position of the Internal Revenue Service that termination payments are ordinary income rather than capital gain and the underlying reasons.

You also informed us of your concern that similarly situated taxpayers have treated these payments differently on their federal income tax returns. Therefore, I shall forward you letters to the appropriate Service officials for their consideration.

I hope this information is helpful. If you have any questions concerning this matter, please contact \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_.

Sincerely,

Michael J. Montemurro  
Branch Chief  
Office of Associate Chief Counsel  
(Income Tax & Accounting)