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**From:**

**Sent:** Friday, August 08, 2008 9:49 AM

**To:**

**Cc:**

**Subject:**

I managed to lose your email but I recall your question as being about taxpayer's position that a provision in the contract barring 3d parties from obtaining rights under the contract prevents the government from collecting on the basis of assumption of tax liability by the contract.

Assuming that both provisions exist in the contract, they are inconsistent. Either the tax liabilities have been assumed or they have not. If assumed, it must be for payment (and thereby collection by the IRS); this is an element of the purchase price for which the transferor can sue. Note that the IRS is not a 3d party in this matter; we stand in the shoes of the taxpayer (transferor) and can bring suit on whatever ground the transferor, who is a party to the contract, could have brought suit upon, including failure to provide a portion of the promised consideration.