



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

OFFICE OF THE CHIEF COUNSEL

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Dear _____ :

This letter responds to your request for information dated April 27, 2012. In particular, you ask whether our November 2, 2009 letter (INFO 2009-0233) to you continues to reflect the Service's position.

In our November 2, 2009 letter, we discussed Rev. Rul. 70-604, 1970-2 C.B. 9, and whether a condominium management association must recognize income attributable to excess assessments collected during the taxable year if the assessments are accumulated in a working capital reserve. We stated that Rev. Rul. 70-604 does not provide that a condominium management corporation may avoid recognizing taxable income attributable to excess assessments by accumulating the excess amount in a working capital reserve. This statement continues to reflect the Service's position.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2012-1, § 2.04, 2012-1 I.R.B. 7. If you have any additional questions, please contact our office at _____.

Sincerely,

Michael J. Montemurro
Branch Chief, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)