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December 17, 1998

Parent =

Subsidiary =

A =

B =

C =

Date W =

Date X =

This letter is in response to your requested ruling dated June 30, 1998. The taxpayer submitted additional information on July 20, 1998 and July 28, 1998. The pertinent facts are summarized below.

Prior to Date W, both Parent and A were common parents of large consolidated groups. B and C were wholly owned subsidiaries of Parent. Parent and A each had a calendar year. On Date W, B merged into A in a reverse triangular merger that A represents qualified under §§ 368(a)(1)(A) and 368(a)(2)(E). The taxpayer has represented that this merger did not constitute a reverse acquisition within the meaning of § 1.1502-75(d)(3). Immediately after the merger, C merged into A in a transaction which A represents qualified under § 368(a)(1)(A). After C merged into A, the resultant corporation became known as Subsidiary. A and Parent filed extensions for the filing of their respective 1997 federal consolidated income tax returns.

PLR-113528-98

A has requested a ruling as to the due date of the A group's final consolidated return. As per § 1.1502-76(b)(1)(i), Subsidiary (formerly A) will be included in Parent's consolidated return for the portion of the year that it was a member. Section 1.1502-76(b)(1)(i) further provides that a separate return must be filed for the portion of the year that is not included in Parent's consolidated return. A "separate return," for purposes of § 1.1502-76(b)(1)(i), may also be a consolidated return of a group other than Parent. Therefore, A must file two returns for 1997, one for the period of January 1, 1997 through Date W (A's final consolidated return) and a second for the period of Date X (the day after Date W) through December 31, 1997 (as Subsidiary and as part of Parent's consolidated return).

Based on the information submitted and the representations set forth above, and provided that Parent timely files its consolidated return for the year ending December 31, 1997, we hold as follows:

A's final consolidated return as common parent of its affiliated group is due on the due date of the consolidated return of Parent, including all extensions of time. Section 1.1502-76(c)(1).

No opinion is expressed about the tax treatment of the transactions which led to this request under any provision of the Code or regulations or about any conditions existing at the time of, or effects resulting from, this request that are not specifically covered by the above ruling. This ruling is directed only to the taxpayer who requested it. Section 6110(j)(3) of the Code provides that this document may not be used or cited as precedent. Each affected taxpayer must attach a copy of this letter to the federal income tax return for the applicable taxable year.

Pursuant to the power of attorney on file with this office, a copy of this letter is being sent to the taxpayer.

Sincerely yours,

Assistant Chief Counsel (Corporate)

By Ken Cohen

Ken Cohen

Senior Technician Reviewer, Branch 3