



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

OFFICE OF
CHIEF COUNSEL

September 7, 2001

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INTERNAL REVENUE SERVICE NATIONAL OFFICE FIELD SERVICE ADVICE
MEMORANDUM FOR LOS ANGELES ASSOCIATE AREA COUNSEL, SBSE

FROM: Assistant Chief Counsel (Collection, Bankruptcy & Summons)
CC:PA:CBS

SUBJECT: Supplemental response - Validity of an assessment made during a bankruptcy case where statutory notice of deficiency was previously issued during the same bankruptcy case

This Chief Counsel Advice responds to your memorandum dated February 16, 2001, to be released as 200137010 on September 14, 2001. In accordance with I.R.C. § 6110(k)(3), this Chief Counsel Advice should not be cited as precedent.

LEGEND

Taxpayer =
Year 1 =

This memorandum supplements our June 4, 2001 advice to you in connection with the taxpayer's Tax Court case brought under I.R.C. § 6330(d). We would like to clarify that the stipulated decision should not state that the Year 1 liability is \$0. While we concluded that the current Year 1 assessment is invalid, we also concluded that a deficiency might be reasserted under a provision other than I.R.C. § 6501(a), such as I.R.C. § 6501(e). Accordingly, the liability may not be \$0. The decision should state that the assessment is invalid and that the appeals officer abused his discretion in permitting the proposed levy.

Please call if you have any further questions.

GARY D. GRAY
By: ALAN C. LEVINE
Chief, Branch 1
CC:PA:CBS:BR1