

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:6 – GENIN-117161-04

Date:

July 20, 2004

In Re:

Request to Revoke Section 179 Election

Tax Years:

Dear :

This letter is in response to a letter dated March 10, 2004, submitted on Taxpayer's behalf to the Commissioner of Internal Revenue, requesting permission to revoke the election made under section 179 of the Internal Revenue Code on Taxpayer's 2000 and 2002 federal income tax returns for certain property placed in service in 2000 & 2002, respectively. In order for us to respond to your specific request, you must submit a request for a private letter ruling. The request must comply with all the requirements of section 7 of Revenue Procedure 2004-1, 2004-1 I.R.B. 1. A copy of selected selections of Rev. Proc. 2004-1 has been enclosed for your reference. We hope that you find the following general information to be helpful.

We are enclosing a copy of section 179 of the Code and the regulations under that section. You may find section 179(c)(2) of particular interest. Under section 179(c)(2), an election made under section 179 (with respect to a taxable year beginning in 2002), and any specification contained in any such election, may not be revoked except with the consent of the Commissioner. Such consent to revoke an election under section 179, however, will be granted only in extraordinary circumstances (Emphasis added). See section 1.179-5(b) of the Income Tax Regulations.

Rev. Proc. 2004-1 provides the general procedures the Internal Revenue Service follows in issuing private letter rulings and the related instructions for the submission of private letter ruling requests by taxpayers. In addition, taxpayers are

required by statute to pay user fees for requests for private letter rulings. Under section 15 of Rev. Proc. 2004-1, the user fee must accompany the request in order to be processed by the Service. In general, the user fee is \$6,000 for private letter rulings. However, there is a reduced fee of \$500 for a request involving a business-related tax issue from a taxpayer with a gross income of less than \$1 million. See Appendix A of Rev. Proc. 2004-1. Also, note that section 15.06(4) of Rev. Proc. 2004-1 provides that if a request for a private letter ruling involves several unrelated transactions, each transaction is treated as a separate request for a private letter ruling and that as a result, a separate fee will apply for each unrelated transaction.

If you should decide to request a private letter ruling, section 7.03 of Rev. Proc. 2004-1 provides information as to where to send the request. Also, as we have noted above, section 7 of Rev. Proc. 2004-1 provides general instructions for requesting a private letter ruling.

This letter has called your attention to certain principles of tax law. It is intended for informational purposes only and does not constitute a ruling. See sections 2.01 and 2.04 of Rev. Proc. 2004-1. We hope the materials enclosed will be helpful to you; however, if you should have any additional questions or comments, please contact our office at .

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely yours,

Mark Pitzer

MARK PITZER
Senior Counsel, Branch 6
Office of Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (3)