

**Internal Revenue Service**

Department of the Treasury

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Person to Contact:

Telephone Number:

Refer Reply To:  
CC:DOM:P&SI:2-PLR-112178-98  
Date:  
December 24, 1998

A =

B =

Company =

Buyer =

PLR =

r =

Date 1 =

Date 2 =

Dear :

This responds to your letter of June 2, 1998 and subsequent correspondence on behalf of Company concerning Company's continued reliance on a prior letter ruling issued to Company.

The information submitted states that Company is a limited liability company that is classified as a partnership for federal income tax purposes. A holds a 99 percent capital and profits interest in Company and B holds a 1 percent capital and profits interest in Company. The Internal Revenue Service issued PLR to Company.

You have represented that a purchase and sale agreement between A and Buyer, as amended on Date 2, provides for the sale by A to Buyer of an r interest in Company effective Date 1. You have represented that no other interest in Company has been or will be transferred within the 12-month period before or after the above-described sale of an r interest by A to Buyer.

Based on the facts and the representations submitted, upon A's sale of an interest in Company to Buyer under the amended agreement, which has been represented to be a sale of an r interest, and provided no interest in Company is transferred within the 12-month period before or after the above-described sale, Company may continue to rely on PLR.

Except as specifically set forth above, no opinion is expressed as to the federal income tax consequences of the transaction described under any other provision of the Code.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

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

Sincerely,

H. GRACE KIM  
Assistant to the Chief,  
Branch 2  
Office of the Assistant Chief  
Counsel  
(Passthroughs & Special  
Industries)

Enclosures: (2)  
Copy of this letter  
Copy for § 6110 purposes