



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224
December 28, 1999

OFFICE OF
CHIEF COUNSEL

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MEMORANDUM FOR BLAKE FERGUSON
ASSISTANT DISTRICT COUNSEL
NORTH - SOUTH CAROLINA DISTRICT

FROM: Lewis J. Fernandez
Deputy Assistant Chief Counsel
(Income Tax & Accounting)

SUBJECT: Information Reporting - Condemnation of Real Property

Our prior memorandum to you (October 4, 1999; CC;DOM:IT&A:2; SPR-110473-99, 199947029) concluded, in part, that the interest component of a condemnation award did not meet the definition of interest under § 6049 of the Internal Revenue Code. Thus, our memorandum further concluded that a payment to a person of such interest of \$600 or more in a taxable year should be reported under § 6041 on Form 1099-MISC.

However, under a special rule set forth in the instructions for Form 1099-INT, interest of \$600 or more paid to any person in a taxable year and not meeting the criteria of § 6049 is reported on Form 1099-INT. Accordingly, our prior memorandum is modified.

If we can be of further assistance, please contact CC:DOM:IT&A:2 at 202-622-4920.