

Internal Revenue Service

Department of the Treasury

Index Number: 0368.04-00, 0355.01-00, Washington, DC 20224
0357.02-00

Number: **200014023**
Release Date: 4/7/2000

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CC:DOM:CORP:5 - PLR-118769-99-

Date:

January 6, 2000

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The purpose of this letter is to make a correction to our letter to you dated April 21, 1999 (PLR-119761-98)(199929018) concerning your corporation ("Prior Letter Ruling").

On page 6 of the Prior Letter Ruling, ruling (4) is replaced with the following:

(4) The basis of the assets received by Controlled 1 will be the same as the basis of such assets in the hands of Distributing immediately prior to the transaction described above, increased in the amount of gain recognized to Distributing under paragraph 2 above (§ 362(b)). The basis of the assets received by Controlled 2 will be the same as the basis of such assets in the hands of Distributing immediately prior to the transaction described above (§ 362(b)).

No opinion is expressed concerning the federal income tax treatment of the proposed transaction under other provisions of the Code or Regulations or about the tax treatment of any conditions existing at the time of, or effects resulting from, the transactions that are not specifically covered by the above rulings.

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.

A copy of this letter along with a copy of the Prior Letter Ruling should be attached to the federal income tax returns of the taxpayers involved for the taxable year in which the transaction covered by this ruling letter is consummated.

Sincerely,
Assistant Chief Counsel (Corporate)
By: Debra L. Carlisle
Chief, Branch 5