

Internal Revenue Service

Department of the Treasury

Number: **200134017**
Release Date: 8/24/2001
Index Number: 29.00-00

Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:B07- PLR-119586-00

Date:

May 29, 2001

DO:

Legend

A =

B =

Dear

In a letter dated October 5, 2000 you requested a ruling that the Service confirm that PLR 9725044 will still be applicable to A after its conversion from a corporation to limited liability company. You represent that other than the change of form of A, all material facts will remain the same as described in PLR-9725044. The rulings received in that PLR are as follows:

1. Coke (including breeze) and coke gas are “qualified fuels” within the meaning of section 29(c)(1)(C) of the Code.
2. The Coke By-Products are “qualified fuels” within the meaning of section 29(c)(1)(C) of the Code.
3. The Facilities, which were first placed in service after December 31, 1979 and before January 1, 1993, and are therefore capable of producing qualified fuels under section 29(f)(1)(B) of the Code, will continue to produce qualified fuels after transfer to the Taxpayer.
4. Production from the Facilities will be attributable to the Taxpayer within the meaning of section 29(a)(92)(B) of the Code.
5. The sale of qualified fuels produced from the Facilities by the Taxpayer to B or any other unrelated person will qualify the Taxpayer to the credit for producing fuel from a nonconventional source under section 29(a) of the Code. However, Taxpayer cannot claim the credit on any coke gas it sells to Seller and purchases back from B, whether or not blended with other gas, that is used to underfire the Facilities.

The above rulings are not dependant on the form of entity of the taxpayer. A may continue to rely on PLR 9725044 after it becomes a limited liability company.

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

Temporary or final regulations pertaining to one or more of the issues addressed in this ruling have not yet been adopted. Therefore, this ruling will be modified or revoked by the adoption of temporary or final regulations, to the extent the regulations are inconsistent with any conclusion in the letter ruling.

A copy of this letter must be attached to any income tax return to which it is relevant.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,
Joseph H. Makurath
Acting Branch Chief
CC:PSI:7