

activities under the alternative incremental research credit rules of § 41(c)(4), for itself and on behalf of its controlled group, for qualified research expenses paid or incurred during the taxable year ending on y. Corporation should compute the research credit for the taxable year ending on y and all succeeding years using the general rule of § 41(a), provided that Corporation does not make a new election to determine its credit for increasing research activities under the alternative incremental research credit rules of § 41(c)(4) in a later year.

Except as expressly provided herein, we express or imply no opinion concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Further, we express or imply no opinion concerning expenditures Corporation treated as qualified research expenses.

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

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to Corporation. 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,

/s/

Brenda M. Stewart
Senior Counsel, Branch 7
Office of Associate Chief Counsel
(Passthroughs & Special Industries)

cc: