

INTERNAL REVENUE SERVICE
NATIONAL OFFICE TECHNICAL ADVICE MEMORANDUM

July 01, 2004

Third Party Communication: None
Date of Communication: Not Applicable

Number: **200446022**
Release Date: 11/12/04
Index (UIL) No.: 4161.00-00
CASE-MIS No.: TAM-118348-04/CC:PSI:B08

Taxpayer's Name:
Taxpayer's Address:

Taxpayer's Identification No
Years Involved:
Date of Conference: No Conference Held

Legend:

Y =

ISSUE

Whether Y is sport fishing equipment for purposes of the tax imposed by § 4161.

CONCLUSION

Y is not sport fishing equipment for purposes of the tax imposed by § 4161. The private letter ruling (PLR 8946027) issued on August 18, 1989, to the taxpayer (the manufacturer of Y) is revoked.

FACTS

The taxpayer manufacturers and sells Y, an article designed to keep fishing lines away from the sides of boats when trolling. Y is a rectangular planer board with an eye bolt. A line, used to tow Y, attaches to the eye bolt and runs from Y to a mast on the boat. Fishing lines can be affixed to Y's line at evenly-spaced intervals. The recommended

position of Y is approximately 75 feet from the boat. Y is designed for use and ordinarily used with a line over 130 pounds test.

On August 18, 1989, a private letter ruling was issued to the taxpayer concluding that Y was an item of sport fishing equipment for purposes of the tax imposed by § 4161.

LAW AND ANALYSIS

Section 4161(a)(1) imposes a tax on the sale of any article of sport fishing equipment by the manufacturer equal to 10 percent of the price for which the equipment is sold.

Section 4162(a)(5) defines sport fishing equipment as including items of terminal tackle but not including any item designed for use and ordinarily used on fishing lines over 130 pounds test.

Rev. Rul. 88-52, 1988-1 C.B. 356, provides that the term "fishing lines" includes all lines that are used or designed for the purpose of attaching lures, hooks, flies, bobbers, sinkers, or any other item of terminal tackle to one another. Fishing lines over 130 pounds test are not taxable. Further, the term "terminal tackle" includes a bobber, defined as any device used as a means to suspend a fishing line or lure in the water column. No tax is imposed on the sale of items otherwise considered to be terminal tackle if they are designed for use and ordinarily used on fishing line over 130 pounds test.

Y's line is a fishing line over 130 pounds test. Y is an item of terminal tackle designed and ordinarily used on such line. Section 4162(a)(5) provides that sport fishing equipment does not include items of terminal tackle designed for use and ordinarily used on fishing lines over 130 pounds test.

CAVEATS

A copy of this technical advice memorandum is to be given to the taxpayer(s). Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent. Under § 6110(c), names, addresses, and identifying numbers have been deleted.