

**Office of Chief Counsel
Internal Revenue Service
Memorandum**

Number: **200512019**

Release Date: 3/25/2005

CC:PA:APJP:B01

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Third Party Communication: None

Date of Communication: Not Applicable

UILC: 148.00-00, 6611.00-00

date: February 16, 2005

to: Clifford J. Gannett
Manager, Tax Exempt Bonds Outreach, Planning and Review
(SE:T:GE:TEB:O)

from: James Coffey Gibbons
Branch Chief, Administrative Provisions & Judicial Practice, Branch 1
(Procedure & Administration)

subject: Computation of Arbitrage Rebate Overpayment Eligible for Refund

This Chief Counsel Advice responds to your request for assistance. This advice may not be used or cited as precedent.

ISSUE

Does future valuing a rebate payment for purposes of computing rebate overpayment constitute the payment of statutory interest.

CONCLUSION

To answer your inquiry we must provide legal advice on section 148 and section 1.148-3 of the Income Tax Regulations. That section of the Code and regulations is not within our jurisdiction. Rather, it belongs to CC:TEGE:EOEG:TEB, which was unable to provide determinative assistance with respect to your precise question. Because we cannot answer your question outside of the context of section 148, we are closing this matter. Future inquiries involving future valuing rebate payment for purposes of computing rebate overpayment should be routed through CC:TEGE:EOEG:TEB.

CASE DEVELOPMENT, HAZARDS AND OTHER CONSIDERATIONS

This writing may contain privileged information. Any unauthorized disclosure of this writing may undermine our ability to protect the privileged information. If disclosure is determined to be necessary, please contact this office for our views.

Please call (202) 622-4910 if you have any further questions.