



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

CHIEF COUNSEL

October 29, 2007

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CONEX-146345-07

UIL: 9999.98-00

Dear _____ :

This is in response to your letter, dated _____, requesting permission to revoke an election under section 1.163(d)-1T(c) of the Income Tax Regulations to treat qualified dividend income as investment income under sections 163(d)(1) and 163(d)(4) of the Internal Revenue Code for tax year _____.

As you are aware, the election under section 163(d)(4)(B) is revocable with the consent of the Commissioner. Section 301.9100-3 of the regulations provides that a taxpayer requesting an extension of time to make or revoke a regulatory election must provide evidence (including affidavits described in the regulations) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith and that granting relief will not prejudice the interests of the government.

The procedures that must be followed to request consent to revoke your election are set out in Revenue Procedure 2007-1, 2007-1 I.R.B 1, available online at www.irs.gov and involve requesting a private letter ruling from our office. A letter ruling is a written determination issued to a taxpayer by our office in response to a written inquiry from an individual or an organization about the tax effects of its acts or transactions.

Please refer to Rev. Proc. 2007-1 for the complete instructions on how to apply for a letter ruling. Please note that the letter request must be sent to the proper Associate office (here, Income Tax & Accounting), along with the correct user fee. At a minimum, the letter ruling request must include a complete statement of facts, any relevant documents, a statement and analysis of the law relevant to the request and a penalties of perjury statement. Please see sections 7.01, Appendix B and Appendix C of Rev. Proc. 2007-1 for other necessary and relevant information that must be included in the request. You may wish to consult with your tax advisor in preparing such a request.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2007-1, 2007-1 I.R.B. 1. I hope this information is helpful. If you need further assistance, please contact me or _____ at () _____.

Sincerely,

Christopher F. Kane
Branch Chief, Branch 3
(Income Tax & Accounting)