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From:

Sent: April 16, 2010 4:13 pm

To:

Cc:

Subject: Response to your inquiry

Here is a generic write up that covers your situation.

TEFRA (Forms 872, 872-I and 872-IA) – *Subsidiary is Partner, but not TMP*

The common parent for the year of the flow through and the subsidiary partner both should execute the partner-level consent.

Example – S-1 is a member of the P and Subsidiaries Consolidated group and a partner in the ABC Partnership (a TEFRA partnership). The Service seeks to extend the group's consolidated taxable Year 1, which corresponds to the year of the ABC Partnership flow-through. P is the common parent of the P and Subsidiaries Consolidated group in Year 1. P will execute, and S-1 should execute, the consent extending the P and Subsidiaries consolidated taxable Year 1 with regard to the ABC Partnership flow-through items.

CONSENT CAPTION: the consent caption should read: P (EIN: XX-XXXXXX) and Subsidiaries Consolidated group; S-1, partner in the ABC Partnership.* Place an asterisk after "group". At the bottom of the Form 872, indicate: *this is with respect to the consolidated tax of the P and Subsidiaries consolidated group.

SIGNATURE BLOCK:

Parent's:

[name of parent corporation] by [name of authorized representative, official title in parent corporation], on behalf of the members of the [name of consolidated group], including [name of subsidiary corporation], Partner of [name of TEFRA entity].

Sub's:

[name of subsidiary corporation] by [name of authorized representative, official title in subsidiary corporation], Partner of [name of TEFRA entity].