

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
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Date:
February 07, 2012

Trust =

A =

B =

Date =

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Dear

This responds to a letter dated August 18, 2011 submitted on behalf of Trust by Trust's authorized representative, requesting a ruling under § 642(c) of the Internal Revenue Code.

The information submitted states that Trust is an irrevocable trust created on Date 1. A and B, both individuals, are the primary beneficiaries of the Trust.

Subparagraph 2.1 of the Trust Agreement provides that A has a lifetime limited power of appointment over Trust as follows: "[T]he Trustee shall distribute all or any portion of the trust estate, including both income and principal, as A may appoint, at any time and from time to time during A's lifetime or upon A's death, to any one or more organizations each of which is, at the time contemplated for an actual distribution to such organization, exempt from federal income taxation under § 501(a) as an organization described in § 501(c)(3) and also is described in al of §§ 170(c), 2055(a) and 2522(a)." Following A's death, if B is then living, then B has a lifetime limited power of appointment over the Trust subject to the same terms as A's lifetime limited power of appointment.

A intends to exercise the limited power of appointment to cause the trustee of Trust to distribute part or all of the income of the Trust to one or more charitable organizations as defined in the Trust Agreement.

Section 642(c)(1) provides that in the case of an estate or trust (other than a trust meeting the specifications of subpart B of part I of subchapter J of chapter 1), there shall be allowed as a deduction in computing its taxable income (in lieu of the deduction allowed by § 170(a), relating to deduction for charitable, etc., contributions and gifts) any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, paid for a purpose specified in § 170(c) (determined without regard to § 170(c)(2)(A)).

Section 1.642(c)-1(a)(1) provides that any part of the gross income of an estate or trust which, pursuant to the terms of the governing instrument is paid (or treated under paragraph (b) of § 1.642-1 as paid) during the taxable year for a purpose specified in § 170(c) shall be allowed as a deduction to such estate or trust in lieu of the limited charitable contributions deduction authorized by § 170(a).

Based solely on the information submitted and the representations made, we conclude that a distribution of gross income from Trust to one or more charitable organizations made pursuant to A's limited power of appointment will be made "pursuant to the terms of the governing instrument" as provided in § 642(c)(1). Therefore, provided that the other requirements of § 642(c) are satisfied, such distribution from Trust will qualify for the charitable contribution deduction under § 642(c).

Except as specifically ruled above, we express no opinion concerning the federal tax consequences of the transactions described above under any other provisions of the Code. The ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent. Pursuant to a power of attorney on file, a copy of this letter is being sent to Trust's authorized representative.

Sincerely,

Melissa C. Liquerman
Chief, Branch 2
(Passthroughs & Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes