

**Internal Revenue Service**

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

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CC:FIP:B1

PLR-132700-16

Date:

January 12, 2017

Legend

Fund 1 =

Fund 2 =

Fund 3 =

Fund 4 =

Fund 5 =

Fund 6 =

Fund 7 =

Fund 8 =

Fund 9 =

Fund 10 =

Fund 11 =

Fund 12 =

Fund 13 =

Fund 14 =

Fund 15 =

Fund 16 =

Fund 17 =

Fund 18 =

Dear :

This letter revokes PLR 200831019 (PLR-147222-07<sup>1</sup>) issued to Funds 1 through 18 (the “Funds”) on April 18, 2008, and, in response to a request dated December 9, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 200831019, the Internal Revenue Service (the “Service”) issued a ruling that income and gain from certain commodity-linked notes constitute qualifying income under section 851(b)(2) (the “CLN Ruling”). In a letter dated September 29, 2016, the Service notified the Funds that it was considering revoking the CLN Ruling. On December 9, 2016, the Funds requested that the Service exercise its discretionary authority under section 7805(b) to limit the retroactive effect of any revocation.

Since issuing PLR 200831019, the Service has determined that having provided a private letter ruling on the issue in the CLN Ruling is not in accord with the current views of the Service. See Rev. Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev. Proc. 2017-3, 2017-1 I.R.B.130, 140 (section 4.01(44)); see also REG-123600-16, 81 Fed. Reg. 66576-77 (Sept. 28, 2016). Section 11.04 of Rev. Proc. 2017-1, 2017-1 I.R.B. 1, 61, provides, in part, that unless it was part of a closing agreement, a letter ruling found to be in error or not in accordance with the current views of the Service may be revoked or modified. Accordingly, PLR 200831019 is revoked.

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<sup>1</sup> PLR-147222-07 is the controlling PLR number for a multi-filer private letter ruling. Each of Funds 1 through 18 was assigned a separate PLR number. This letter refers to the controlling PLR number, but applies equally to the rulings issued to all of the Funds under their respective, separately assigned PLR numbers.

Section 11.04 of Rev. Proc. 2017-1 also provides that, if a letter ruling is revoked, the revocation applies to all years open under the statute of limitations on assessment unless the Service uses its discretionary authority under section 7805(b) to limit the retroactive effect of the revocation. In accordance with the Funds' request, the Service has decided to grant relief under section 7805(b). The revocation of PLR 200831019 will apply prospectively only to commodity-linked notes acquired by the Funds after June 30, 2017.

We are sending a copy of this letter to the appropriate operating division.

Sincerely,

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Julanne Allen  
Assistant to the Branch Chief, Branch 3  
Office of Associate Chief Counsel  
(Financial Institutions and Products)

cc: