

submitted in support of the ruling request. Verification of the facts, representations, and other information may be required as part of the audit process.

FACTS

On Date, Taxpayer disposed of stock it owned in Corporation in a taxable exchange to which section 304(a)(1) applied to treat the receipt of property for stock as a redemption subject to section 302 (the Transaction).

Taking into account applicable constructive ownership rules, immediately before the Transaction Taxpayer's percentage interest in the (i) vote and (ii) current earnings, accumulated surplus, and net assets upon liquidation in Corporation was %A and %B, respectively, and immediately after the Transaction Taxpayer's percentage interest in the (i) vote and (ii) current earnings, accumulated surplus, and net assets upon liquidation in Corporation was %C and %D, respectively.

RULING

Based solely on the information submitted and the representations made, we rule that Taxpayer's receipt of property in the Transaction was not essentially equivalent to a dividend under section 302(b)(1).

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

PROCEDURAL STATEMENTS

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this

requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

T. Ian Russell
Branch Chief, Branch 1
Office of Associate Chief Counsel (Corporate)

cc: