

**Internal Revenue Service**

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Number: **199941042**  
Release Date: 10/15/1999

Refer Reply To:  
**CC:DOM:CORP:1-PLR-106863-99**  
Date:  
**April 8, 1999**

Re:

Legend

Sub 4 =

Sub 3-B1 LLC =

Sub 3-B1a LLC =

Sub 4-A1 LLC =

Sub 8 LLC =

Sub 3-B1 =

Sub 3-B1a =

Sub 4-A1 =

Sub 8 =

Sub 8 LLC =

Dear :

This letter contains the rulings that were severed from the other rulings made in a letter to you dated April 2, 1999.

The facts set forth in the April 2, 1999 letter are supplemented as follows:

- (1) Step iv - Add "Sub 4 will own the single interest in Sub 3-B1 LLC and Sub 3-B1 LLC will own the single interest in Sub 3 - B1a LLC".
- (2) Step vi - Add "Sub 4 will own the single interest in Sub 4-A1 LLC".
- (3) Step xi - Add "Sub 4 will own the single interest in Sub 8 LLC".

Based solely on the above facts as well as the information and representations set forth in the April 2, 1999 letter, it is held as follows:

- (75) Subsequent to the liquidations of Sub 3-B1 and Sub 3-B1a into Sub 4 as described in Step (iii), Sub 4's transfer of the former assets of Sub 3-B1 and Sub 3-B1a to Sub 3-B1 LLC (Step (iv)) will be disregarded for federal tax purposes provided that Sub 3-B1 LLC does not elect to be taxed as an association under § 301.7701-3(a) of the Procedure and Administration Regulations.
- (76) Sub 3-B1 LLC's subsequent transfer of Sub 3-B1a's former assets to Sub 3-B1a LLC (Step (iv)) will be disregarded for federal tax purposes provided that Sub 3-B1a LLC does not elect to be taxed as an association under § 301.7701-3(a).

- (77) Subsequent to the liquidation of Sub 4-A1 into Sub 4 as described in Step (iv), Sub 4's transfer of the former assets of Sub 4-A1 to Sub 4-A1 LLC (described in Step (vi)) will be disregarded for federal tax purposes provided that Sub 4-A1 LLC does not elect to be taxed as an association under § 301.7701-3(a).
- (78) After Sub 4 acquires all of Sub 8's stock as described in Step (viii-B) and Step (x), Sub 4's transfer of Sub 8's stock to Sub8 LLC (Step (xi)) will be disregarded for federal tax purposes provided that Sub 8 LLC does not elect to be taxed as an association under § 301.7701-3(a).

We express no opinion about the tax treatment of the transactions under other provisions of the Code and regulations or about the tax treatment of any conditions existing at the time of, or effects resulting from, the transactions that are not specifically covered by the above rulings.

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

A copy of this letter should be attached to the federal income tax returns of the taxpayers involved for the taxable year in which the transactions covered by this ruling letter are consummated.

A copy of this letter has been sent to the taxpayer.

Sincerely,

Assistant Chief Counsel (Corporate)

By: \_\_\_\_\_  
Alfred C. Bishop, Jr.  
Chief, Branch 1