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Internal Revenue Service

Index Number 1041.01-00

Department of the Treasury

P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Refer Reply To:
CC:DOM:IT&A:6 - PLR-108009-99
Date:

JUN 1 1999

Dear

This is in response to your submission of April 9, 1999, requesting a private letter ruling addressing three issues raised by your marital settlement agreement of June 11, 1998. Specifically, you requested a ruling that the "salary" payments you received from your former husband's corporation were incident to your divorce and, thus, were not taxable under §1041 of the Internal Revenue Code. In addition, you requested a ruling that your former husband's corporation is not entitled to deduct these salary payments under §162 because you did not perform any services for that corporation. Finally, you requested a ruling that the transfer of your stock in this corporation to your former husband was incident to your divorce and, thus, was not taxable under §1041.

The Internal Revenue Service will not issue a letter ruling in all cases. Rev. Proc. 99-1, 1999-1 I.R.B. 6, contains the procedural requirements for obtaining a letter ruling from the Service. Section 7.01 provides that the Service ordinarily will not issue a letter ruling or determination letter in certain areas because of the factual nature of the problem involved or because of other reasons. Rev. Proc. 99-3, 1999-1 I.R.B. 103, and Rev. Proc. 99-7, 1999-1 I.R.B. 226, provide a list of these subject matters. These lists are not all-inclusive, however, because the Service can decline to issue a letter ruling or a determination letter when appropriate in the interest of sound tax administration or on other grounds whenever warranted by the facts or circumstances of a particular case.

Our office has thoroughly examined your ruling request and supporting documents. As discussed by telephone with your representative, on May 27, 1999, we are unable to give you the rulings you have requested, unless your former husband joins in the ruling request. informed us, however, that this is impossible. Because we cannot rule in your case, your $500.00 user fee will be refunded in the near future.

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Per your power of attorney, we are sending a copy of this letter to your representative. If you need further information, please do not hesitate to call Leo Nolan at 622-4960.

Sincerely,

Assistant Chief Counsel
(Income Tax and Accounting)

By _____
William A. Jackson
Chief, Branch 6

cc: