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INTERNAL REVENUE SERVICE

UIL No: 4982.00-00

CC:DOM:FI&P:3 / PLR-114287-99

OCT 29 1999

Legend:

Series Fund =

Fund A =

Fund B =

Fund C =

Fund D =

Fund E =

Fund F =

State =

Year 1 =

Dear :

This responds to a request for ruling dated August 20, 1999, you filed on behalf of each of Funds A-F. Funds A-F request permission to revoke their elections under section 4982(e)(4)(A) of the Internal Revenue Code to calculate their excise taxes on undistributed capital gain net income required under section 4982(b) on a calendar year basis rather than the annual period ending October 31.

FACTS

Series Fund is a corporation organized under State law in Year 1. Funds A through F (collectively "the Funds") are each segregated portfolios of assets within Series Fund. Series Fund is registered with the Securities and Exchange Commission ("SEC") as an open-end management company under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., as amended. Each of the Funds has elected to be treated and is operated in a manner intended to qualify as a Regulated Investment Company ("RIC") under subchapter M of the Internal Revenue Code and each Fund intends to continue to so qualify. Under section 851(g) of the Code, the Funds are each treated as a separate corporation.

The Funds have a calendar year accounting period and file their returns under the accrual method of accounting. The Funds previously elected under section 4982(e)(4) of the Code to calculate their undistributed capital gain net income on a calendar year basis, rather than on the annual period ending October 31.

The Funds intend to change their fiscal year end to October 31, effective October 31, 1999. The Funds want to revoke their section 4982(e)(4) election for administrative reasons, primarily to avoid having to distribute the Funds' capital gains based on estimates of, rather than the actual amounts of, the capital gains realized.

The Funds represent the following:

(a) The Funds' desire to revoke their elections is due to administrative and non-tax related burdens caused by the elections.

(b) The Funds are not seeking to revoke their elections to preserve or secure a tax benefit.

(c) The Funds will neither benefit through hindsight nor prejudice the interests of the government as a result of being permitted to revoke their elections.

(d) The Funds will not make subsequent elections under section 4982(e)(4) for five calendar years following the year of the grant of the revocation.

(e) The Funds did not have any foreign currency gains or losses for their most recent taxable year.

LAW

Section 4982(a) of the Code imposes a tax on every RIC for each calendar year equal to four percent of any required distribution for such calendar year over the distributed amount for such calendar year.

Section 4982(b)(1) of the Code defines the term "required distribution" to mean with respect to any calendar year the sum of 98 percent of the RIC's ordinary income for such calendar year plus 98 percent of the RIC's capital gain net income for the 1-year period ending on October 31 of such calendar year.

Section 4982(e)(4)(A) of the Code provides that if the taxable year of a RIC ends with the month of November or December and the RIC makes the election permitted under this paragraph, the RIC's capital gain net income shall be determined by taking into account the RIC's taxable year in lieu of the 1-year period ending on October 31 of the calendar year. Section 4982(e)(4)(B) permits this election to be revoked only with the Secretary's consent.

ANALYSIS AND CONCLUSION

Based on the information submitted and representations made by the Funds, we conclude that the Funds seek to revoke their elections under section 4982(e)(4)(A) of the Code because of administrative burdens and not because of any federal tax related financial burden caused by the elections. The Funds do not seek to revoke their elections for the purpose of preserving or securing a federal tax benefit. The Funds will not benefit through hindsight or prejudice the interests of the government as a result of being permitted to revoke the elections.

Accordingly, pursuant to section 4982(e)(4)(B) of the Code, the Secretary consents to the revocation of the Funds' elections under section 4982(e)(4)(A) effective for calendar year 1999 and subsequent years. Further, the Funds are permitted to calculate their required distribution under section 4982(b)(2) for 1999 on the basis of the capital gains and losses taken into account during the 10-month period from January 1, 1999, through October 31, 1999.

As a condition to the Secretary's consenting to the revocation of the Funds' elections, the Funds will not make a subsequent election under section 4982(e)(4)(A) of the Code for a period of five calendar years following the effective calendar year of the revocation--i.e. 2000-2004.

OTHER INFORMATION

It is important that a copy of this letter be attached to the federal income and excise tax returns filed by each of Funds A-F for the first year to which this ruling applies.

Except as specifically ruled upon above, no opinion is expressed or implied regarding the Federal tax aspects of this transaction. In particular, no opinion is expressed on whether any Fund individually qualifies as a RIC.

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.

Sincerely yours,

Assistant Chief Counsel
(Financial Institutions
and Products)

By:_____
Alice M. Bennett
Chief, Branch 3

Enclosure:
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