



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

MARCH 27, 2000

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CAM-111607-98

MEMORANDUM FOR DISTRICT DIRECTOR, MICHIGAN DISTRICT
Attn: Chief, Examination Division

FROM: Senior Technician Reviewer, CC:DOM:FI&P:4
SUBJECT: Withdrawal of Form 3115, Application for Change in
Accounting Method
CAM-111607-98, CAM-111608-98

LEGEND:

Taxpayer 1 =

Taxpayer 2 =

Parent =

This is to notify you, in accordance with § 8.07(2)(a) of Rev. Proc. 2000-1, 2000-1 I.R.B. 4, 33, that Taxpayer 1 and Taxpayer 2 (referred to collectively as "Taxpayers") have withdrawn their applications for a change in accounting method. Any legal analysis and conclusions contained herein are not binding upon Examination or Appeals. This document is not to be cited as precedent.

Taxpayers are members of an affiliated group that files a consolidated return. Parent is the parent corporation of the affiliated group.

Taxpayers requested, effective for the taxable year ended December 31, 1997, to change their method of accounting for premiums billed in advance of policy inception ("advance premiums") on business written by Taxpayer 2 and reinsured by Taxpayer 1. Taxpayers have informed us that, as a result of TD 8857, 2000-4 I.R.B. 365, promulgating final regulations under § 832 of the Internal Revenue Code, they have decided to withdraw their applications for a change in accounting method. TD 8857 provides an automatic change procedure for advance premiums for the taxable year ending December 31, 2000.

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Taxpayers have represented that their methods of accounting for determining premiums were not “issue[s] under consideration within the meaning of section 3.09 of Rev. Proc. 99-49 as of January 5, 2000.” Under this representation, if Taxpayers change their accounting method for advance premiums, as provided in § 1.832-4(a)(11)(ii) of the Income Tax Regulations, the Service will not, except as provided in § 7.02 of Rev. Proc. 99-49, 1999-52 I.R.B. 725, 735, or in the APPENDIX of Rev. Proc. 99-49, require Taxpayers to change their method of accounting for this item for a taxable year prior to the year of change.

Please direct your questions concerning this matter to Branch 4, (202) 622-3970.

/S/

Donald J. Drees, Jr.

cc: