Office of Chief Counsel
Internal Revenue Service

memorandum

CC:NER:CTR:HAR:TL-N-4978-99
SCBest

date: October 27, 1999

to: Chief, Examination Division, Connecticut-Rhode Island District
Attn: Robert J. Arrigo, Case Manager EG 1102

from: District Counsel, Connecticut-Rhode Island District, E. Hartford

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subject: **Technical Assistance--[redacted]**

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Reference is made to your memorandum dated July 22, 1999, whereby you asked our opinion as to whom are the proper signatories for [redacted] since its foreign parent has merged with another foreign company. You concluded that existing [redacted] corporate officers can continue to bind the company in regard to IRS matters. We agree with your conclusion.

The facts set forth below are summarized from your memorandum:

1. For [redacted] through [redacted], [redacted], [redacted] (taxpayer) headquartered in [redacted] Connecticut, filed consolidated returns as parent of a group consisting of certain of its subsidiaries. During these years, the taxpayer was a wholly owned US subsidiary of [redacted], a corporation located in the United Kingdom. The Hartford Examination Division is currently examining the taxpayer's [redacted] through [redacted] years.

2. [redacted], an unrelated company headquartered in [redacted], MA, is not presently under examination. [redacted] was a US subsidiary of [redacted], also a United Kingdom corporation.

3. Early during [redacted], [redacted] and [redacted] merged into [redacted] (UK Corp) with [redacted] becoming the parent of the taxpayer and [redacted].

4. While UK Corp intends to merge the taxpayer and [redacted] on or before [redacted], it has not yet taken any such action. As a result, the taxpayer and [redacted] remain separate entities and are responsible for filing separate corporate returns.

5. Since the legal form for the taxpayer has not changed, you have concluded that its current corporate officers can still sign the necessary documents (statute extensions, closing agreements, RAR, etc.) and bind the Company. Therefore, you will continue to solicit agreements from the taxpayer's current officers until a merger or change of legal form occurs.

We agree with your conclusion. Treas. Reg. § 1.1502-77(a) provides that the common US parent of a consolidated group shall be the sole agent for each subsidiary in the group, duly authorized to act in its own name in all matters relating to the tax liability for the consolidated return year. Treas. Reg. § 1.1502-77(a) further provides that the common parent is the proper party to receive statutory notices of deficiency.

Generally, the common parent for a particular consolidated return year remains the common parent agent for purposes of extending the period of limitations for that year even though that corporation is no longer the common parent of that group when some action, such as executing an extension, needs to be taken for that year. See Alumax Inc. v. Commissioner, 109 T.C. 133 (1997); Treas. Reg. § 1.1502-77(a).

Therefore, because the taxpayer was the common parent for the group for the [redacted] through [redacted] taxable years and still remains in existence, it is our opinion that you should continue to solicit agreements from its officers until a merger or change of legal form occurs. Should either of the latter events occur, you may request another opinion from this office based upon the changed circumstances.

Please note that this opinion is based upon the facts set forth herein. Should you determine that the facts are different, you should not rely upon this opinion without conferring with this office, as our opinion might change. Further, this opinion is subject to post-review in our National Office. That review might result in modifications to the conclusion herein. Should our National Office suggest any material change in the advice, we will inform you as soon as we hear from that office.

The subject case is assigned to Stephen C. Best of this office, who may be reached at (860) 290-4074.

BRADFORD A. JOHNSON
Assistant District Counsel

By: _____
STEPHEN C. BEST
Attorney