Qualifying Income From Activities of Publicly Traded Partnerships With Respect to Minerals or Natural Resources

This is a Comment on the **Internal Revenue Service** (IRS) Proposed Rule: **Qualifying Income from Activities of Publicly Traded Partnerships with Respect to Minerals or Natural Resources**

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Comment

Dear IRS and Treasury Officials,

I appreciate the opportunity to comment on this very important topic. The tax, legal, legislative history and technical aspects of this matter have been fully explored in detail by other commenters. May I refer you to Westlake Chemical Partner's comment letter as an example of a well reasoned point of view regarding the proposed regulations that the Service should fully embrace. As such, I will limit my comments to those of a taxpayer, shareholder and unit holder from a basic American fairness concept. First, when an individual or organization approaches the Service for a Private Letter Ruling (PLR) in a bona-fide, good faith effort to obtain clarity to ensure any proposed taxpayer action is appropriate under the Code, and then obtains a favorable ruling from the Service, the PLR constitutes a covenant between the government and the taxpayer. With this covenant in hand, when a taxpayer, such as WLKP, takes action in reliance upon the PLR it does so in good faith and in the best interests of its stakeholders. This was the case when WLKP proceeded with their IPO in confidence that the PLR was a lasting covenant between the company and the Service. But now, by suggesting proposed changes to the definition of Qualifying Income the Service has in fact effectively broken the trust that was provided to the taxpayer and negatively impacted the unit holders which relied upon the Service's PLR to make good faith investment decisions. This violates a fundamental fairness and trust concept we hold dear as Americans. fact, it now calls into question all PLRs. How can any recipient of a PLR or any shareholder, unit holder or individual taxpayer who had relied on a PLR have any confidence that the Service won't likewise break the agreement that they made when issuing any PLR? Second, it seems the impact on investors is of no

importance to the Service. But in the case of WLKP and WLK, the market value of both companies was significantly impacted and individual investors have been harmed. While the Service may be solely interested in "regulating", I would hope the Treasury Department would have an interest in ensuring that it does no harm to investors, especially those who have relied on an affirmative action by the Service. As noted at the outset, there are other commenters that have provided excellent clarity on the issues and the inconsistencies that the proposed rule would create. May I add my layman's view that the ruling, especially as it relates to the resulting dissimilar treatment of like activities are illogical and are not based in fact or science. Treating two similarly situated taxpayers differently again seems to violate the fundamental equity and fairness concepts we all expect of our government. I urge you to rethink your proposed regulations and either maintain the sanctity of the initial PLR issued to WLKP or provide a permanent grandfathering of the PLR in this instance.