



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

Sirs:

While I agree with the many outraged investors who have commented on your self-dealing re-interpretation of regulations, I have other perspectives not mentioned.

The comment is made and I infer further that the refining processes, including cracking, are exempted since cracked liquids (alkenes and aromatics) are combined with earlier distilled liquids into a final product like gasoline. Surely your staff engineers understand that pyrolysis and cracking are synonymous. And further, they must understand that cracking natural gas liquids, naphtha and condensate (collectively NGLs) all result in the co-production of pyrolysis gasoline and pyrolysis fuel oil in addition to ethene, propene, butene, etc. This pyrolysis gasoline is high in octane and a favored addition when it is reintroduced into the refining process where it does in fact end up in gasoline and other distillate fuels. This has always been the case, and that is why such processing units are often adjacent in the same complex.

So the only chemical difference between crude oil cracking and NGL cracking is the percentage ratio of produced materials that end up in finished liquid fuel streams and downstream alkene applications. Crude oil and naphtha cracking make more liquids for gasoline, and ethane cracking makes less. Propane cracking makes more propene, and crude oil cracking makes less propene. But both "cracking" units make a variable slate of all products. So the question for this King Solomon determination is at what % is one process approved and one process un-approved?

It's that simple. And it's that stupid.

How lawyers and accountants attempt to define chemistry and process flow is a real enigma. Once again they are on a slippery slope with no real understanding of the alkene business. Why this then empowers them to thrust financial losses on common shareholders is a travesty of bureaucracy.

If I treated my business clients as you are doing here I would be in court and out of business sooner rather than later. Unfortunately, the IRS is exempted.