



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

I wish to respond to the IRS Notice of proposed regulations under section 7704(d)(1)(E) of the Internal Revenue Code relating to Qualifying Income from Activities of Publicly Traded Partnerships with Respect to Minerals or Natural Resources. The IRS provided a private letter ruling (PLR) that stated that Westlake Chemical Partners (NYSE: WLKP) activities generated qualifying income within the meaning of the Code, thus permitting WLKP to be treated as an MLP for U.S. federal tax purposes. The PLR served as the basis on which WLKP pursued its IPO, which was completed on August 4, 2014. Now, the IRS Proposed Regulations effectively revokes the previously issued PLR. This proposed ruling has significantly decreased the market value of both Westlake Chemical Partners (NYSE: WLKP) and Westlake Chemical Corporation (NYSE: WLK), both of which I am a shareholder. Even with a 10-year transition I believe this reversal is unfair and it is an absolute shame that we as individual investors cannot trust or rely on any guidance given by a government office, such as the IRS, because now I see that at any later date they can simply decide to reverse their own guidance without regards to those who relied upon it. Where is the oversight of such agencies?

I hope that the IRS and U.S. Department of Treasury will do the right thing here, and make good on their initial PLR and revise the Proposed Regulations to honor the original PRL or permanently grandfather that ruling. If not, I and many other individual investors, that relied on the good faith of the IRSs private ruling, will be significantly hurt by the negligence of the IRS.