



Qualifying Income From Activities of Publicly Traded Partnerships With Respect to Minerals or Natural Resources (REG-132643-14)

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

My wife and I purchased units in WLKP. We believe that the Partnership was established correctly, based on the IRS providing a favorable PLR as a basis for and in advance of WLKP's initial public offering (which was completed on August 4, 2014). That PLR concluded that the Partnership's activities generate "qualifying income" within the meaning of the Code. The IRS' new Proposed Regulations, announced on May 5, 2015, however, would reverse the PLR, and would provide the Partnership a ten-year transition period. Notwithstanding this transition period, we believe this reversal is unfair to us since we are both unitholders of WLKP and shareholders of WLK.

We believe our views regarding the PLR are consistent both with the "plain meaning" of the Code and with the reasoning reflected in the PLR: that natural gas liquids are clearly natural resources and that the processing of natural gas liquids into ethylene constitutes the "processing" and/or "refining" of a natural resource. We further believe the Proposed Regulations result in unequal treatment between oil refineries, whose ethylene production would generate qualifying income, and natural gas processors, whose ethylene production would not.

We appreciate the willingness of the IRS and Treasury officials to discuss these concerns with company officials and others that are severely impacted. We encourage the IRS to revise the Proposed Regulations either to be consistent with the Partnership's original PLR or, alternatively, to extend or permanently grandfather that ruling, which would be consistent with the legislative history in similar matters.

Thank you for your attention to this serious matter.

Richard K. and Dawn M. Bloomer

