

The Commonwealth of Massachusetts



JOYCE HAMPERS
COMMISSIONER

Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

May 20, 1980

You inquire as to the Massachusetts income tax consequences of a change of the ("Trust"), a Massachusetts corporate trust, into a nominee trust.

The Trust was organized on July 15, 1964 as a Massachusetts business trust with transferable shares for the purpose of buying, selling, leasing or otherwise dealing with real estate. In November 1979, 97% of the shares of the Trust were acquired by one individual. The remaining shares are held by two individuals.

Under the proposed plan, the Trust will be converted into a nominee trust by amending the trust agreement. The trustees of the nominee trust will hold title to the property for the sole benefit of the beneficiaries. The trustees of the Trust will continue as the trustees of the nominee trust.

Under the Internal Revenue Code, the Trust is an association taxable as a corporation. For Massachusetts income tax purposes, the Trust is a corporate trust subject to taxation under Massachusetts General Laws Chapter 62.

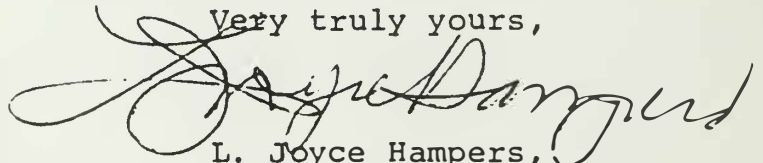
It is the opinion of Counsel for the Trust that (1) the proposed transaction would be treated as a liquidation under Section 336 of the Internal Revenue Code and that no gain or loss would be recognized to the Trust, and (2) that the Trust shareholders would realize gain or loss under Section 331 of the Code.

Based on the foregoing, it is ruled that:

1. The change of the _____ Trust, a Massachusetts corporate trust, into a nominee trust, by modifying the trust agreement, will not result in the recognition of gain or loss to the Trust under Massachusetts General Laws Chapter 62.

2. The shareholders of the _____ Trust will realize gain or loss upon the change of the Trust into a nominee trust.

Very truly yours,



L. Joyce Hampers,
Commissioner of Revenue

LJH/RSF/jmcd

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