

802.5

Verne, B. Michael

From: [REDACTED]  
Sent: Thursday, July 14, 2005 5:14 PM  
To: Verne, B. Michael  
Subject: Question about 802.5

Mike:

I have a client that owns self-storage facilities. Customers can rent them on a month-to-month basis to store possessions. It seems that 802.5 (in connection with 802.4) would exempt the acquisition of the securities of the company that owns and operates the storage facilities. They meet the 802.5 test of "investment rental property" -- they're rented to third parties; for tax purposes, the rental is considered a lease; they are held for rental purposes.

I wasn't able to find any informal opinions regarding self-storage facilities, so I thought I would ask if you've dealt with this before.

Thanks in advance for your help.

Regards,

[REDACTED]

802.5 DOES EXEMPT  
THE ACQUISITION OF SELF-  
STORAGE FACILITIES.

B. Michael  
7/14/05

\*\*\*\*\*

[REDACTED]

IRS CIRCULAR 230 NOTICE. Any advice expressed above as to tax matters was neither written nor intended by the sender or [REDACTED] to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed under U.S. tax law. If any person uses or refers to any such tax advice in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then (i) the advice was written to support the promotion or marketing (by a person other than [REDACTED] of that transaction or matter, and (ii) such taxpayer should seek advice based on the taxpayers particular circumstances from an independent tax advisor