



## Tax Reduction Letter

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### Reg. Section 1.47-2(a)(1)

"Disposition" and "cessation"

(a) General rule—

- (1) "Disposition". For purposes of this section and § 1.47-1 and §§ 1.47-3 through 1.47-6, the term "disposition" includes a sale in a sale-and-leaseback transaction, a transfer upon the foreclosure of a security interest and a gift, but such term does not include a mere transfer of title to a creditor upon creation of a security interest. See paragraph (g) of § 1.47-3 for treatment of certain sale-and-leaseback transactions.

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