

Internal Revenue Service

Department of the Treasury

Number: **200204031**
Release Date: 1/25/2002
Index Number: 9100.00-00, 7701.00-00

Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:2 - PLR-119847-01

Date:

October 25, 2001

Legend

X =

Country 1 =

Date 1 =

Dear :

This is in reply to a letter dated April 3, 2001, submitted on behalf of X, requesting a ruling that X be given an extension of time to elect to be classified as an association taxable as a corporation for federal tax purposes.

The information submitted states that X, an unlimited liability company organized under Country 1 law, has a single owner and was formed on Date 1. X intended to elect to be treated as an association for Federal tax purposes as of Date 1. However, X inadvertently failed to file the election.

Section 301.7701-3(a) of the Procedure and Administration Regulations provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an “eligible entity”) can elect its classification for federal tax purposes. An eligible entity with a single owner can elect to be classified as an association (and thus a corporation under § 301.7701-2(b)(2)).

Section 301.7701-3(b) provides default classifications for eligible entities that do not timely make an election. To elect to be classified other than as provided in § 301.7701-3(b), an eligible entity must file Form 8832, Entity Classification Election, with the designated service center. Section 301.7701-3(c)(1)(i). An election will be effective on the date specified on the Form 8832 or on the date filed if no such date is specified. The effective date specified on the Form 8832 cannot be more than 75 days prior to the date the election is filed. Section 301.7701-3(c)(2)(iii).

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election. Section 301.9100-1(b) defines a regulatory election to include an election whose date is prescribed by a regulation published in the Federal Register.

PLR-119847-01

Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the Government. Section 301.9100-3(a).

Based solely on the facts submitted and representations made, we conclude that the requirements of § 301.9100-3 have been satisfied. As a result, X is granted an extension of time of 60 days from the date of this letter to file Form 8832, effective on Date 1, with the appropriate service center. A copy of this letter should be attached to the Form 8832. A copy of the letter is enclosed for that purpose.

Except as specifically ruled above, we express no opinion concerning the federal tax consequences of the transactions described above under any other provisions of the Internal Revenue Code. The ruling set forth in this letter is conditioned upon the facts and representations submitted by X accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for a ruling. Verification of the information, representations, and other data may be required as part of the audit process.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Internal Revenue Code provides that it may not be used or cited as precedent.

Pursuant to the power of attorney on file with this office a copy of this letter is being sent to X's authorized representative.

Sincerely,
PAUL F. KUGLER
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes