

**Internal Revenue Service**

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:  
CC:PSI:B1-PLR-152357-01  
Date:  
November 15, 2001

Legend

X =

LLC =

D1 =

Country =

State 1 =

This responds to your letter dated, September 17, 2001 in which you requested relief under section 301.9100-3 of the Procedure and Administration Regulations to file an election under section 301.7701-3(c) to be treated as a partnership for federal tax purposes.

Facts

According to the information submitted, X is a Country entity incorporated on D1. X represents that it is an entity that is eligible to elect, under section 301.7701-3(c), to be treated as a partnership for federal tax purposes. LLC, organized under the laws of State, holds a 50% interest in X. All members of X have limited liability. X intended at all times to be treated as a partnership. Inadvertently, X did not timely file the Form 8832, Entity Classification Election.

Law and Analysis

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Generally, a foreign eligible entity is treated as an association taxable as a corporation if all members have limited liability, unless the entity makes an election to be treated otherwise. To make an election, section 301.7701-3(c) provides that an entity classification election must be filed on Form 8832. An election can be effective up to 75 days prior to the date the form is filed or up to 12 months after the date on which the form is filed.

Under section 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Code, except subtitles E, G, H, and I. Section 301.9100-1(b) defines the term "regulatory election" as including an election with a deadline prescribed by a regulation published in the Internal Revenue Bulletin.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-1(a).

Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of section 301.9100-2.

Requests for relief under section 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).

### Conclusion

Based solely on the facts submitted and the representations made, the requirements of section 301.9100-3 have been satisfied. As a result, X is granted an extension of time of sixty (60) days from the date of this letter to elect to be treated as a partnership for federal tax purposes, effective as of D1. The election should be made by filing a properly executed Form 8832 with the appropriate service center. A copy of this letter should be attached to the election.

Except as expressly set forth above, no opinion is expressed or implied concerning the tax consequences of the transactions described above under any other provision of the Code. Specifically, no opinion is expressed concerning whether X is an eligible entity.

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

Pursuant to Power of Attorney on file with this office, a copy of this letter is being sent to your authorized tax representative.

Sincerely,  
Paul F. Kugler  
Associate Chief Counsel  
(Passthroughs and Special Industries)

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

cc: