

**Internal Revenue Service**

Department of the Treasury

Number: **INFO 2003-0091**  
Release Date: 6/30/2003  
Index Number: 179.00-00

Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:6-CONEX-111826-03

Date:

Mar 13, 2003

In re:

Request to Make a Late Section 179 Election

Dear :

This letter is in response to a letter dated December 27, 2002, to the Commissioner of the Internal Revenue Service, requesting permission to make a late 179 election for your truck. For us to respond to your specific request, you must submit a request for a private letter ruling. The request must comply with all the requirements of section 8 of Revenue Procedure 2003-1, 2003-1 I.R.B. 1. A copy of selected selections of Rev. Rul. 2003-1 has been enclosed for your reference. We hope that you find the following general information to be helpful.

Section 1.179-5(a) of the Income Tax Regulations provides that the election under section 179 of the Internal Revenue Code to claim a section 179 expense deduction for section 179 property must be made on the taxpayer's first income tax return for the taxable year to which the election applies or on an amended return filed within the time prescribed by law (including extensions) for filing the return for such taxable year. Thus your request to use section 179 is a request for an extension of time to make an election under section 179 for your truck. In making your decision whether to file this request, you should be aware that section 280F limits to \$3,060 for the year 2000 the combined depreciation and section 179 deductions for certain trucks placed in service during the year. See the attached pages of Publication 946.

Your request for an extension of time to make a regulatory election must meet the requirements of section 301.9100-3 of the regulations. We are also enclosing a copy of section 301.9100-3. Under section 301.9100-3(a), requests for relief will be granted when the taxpayer provides the evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government. The election under section 179 is an accounting method election. Under section 301.9100-3(c)(2), for accounting method elections the interests of the Government are deemed to be prejudiced except in unusual and compelling circumstances (Emphasis added). Section 301.9100-3(e)(5)

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provides that a request under section 301.9100-3 is a request for a ruling letter.

Rev. Proc. 2003-1 provides the general procedures the Internal Revenue Service follows in issuing private letter rulings and the related instructions for the submission of private letter ruling requests by taxpayers. In addition, taxpayers are required by law to pay user fees for requests for private letter rulings. Under section 15 of Rev. Proc. 2003-1, the user fee must accompany the request in order to be processed by the Service. In general, the user fee is \$6,000 for private letter rulings. However, there is a reduced fee of \$500 for a request involving a business-related tax issue from a taxpayer with a gross income of less than \$1 million. See Appendix A of Rev. Proc. 2003-1.

If you should decide to request a private letter ruling, section 8.03(1) of Rev. Proc. 2003-1 provides information as to where to send the request. Also, as we have noted above, section 8 of Rev. Proc. 2003-1 provides general instructions for requesting a private letter ruling.

This letter has called your attention to certain general principles of tax law. It is intended for informational purposes only and does not constitute a ruling. See sections 2.01 and 2.04 of Rev. Proc. 2003-1. We hope the materials enclosed will be helpful to you; however, if you should have any additional questions or comments, please contact our office at (202) 622-3110.

Sincerely yours,

CHARLES B. RAMSEY  
Chief, Branch 6  
Office of Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures (4)