

request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer is a former resident of the United States and is not a U.S. citizen. Taxpayer is a citizen of Country X by reason of her birth. On Date One, Taxpayer relinquished her U.S. lawful permanent resident status and returned to Country X where she established residency.

Taxpayer engaged CPA Firm to submit a ruling request under I.R.C. § 877. In Month 1, CPA Firm contacted a Country X accountant in order to determine Country X taxation as required by Notice 98-34. The accountant subsequently determined that he did not have adequate knowledge of the area of taxation involving I.R.C. § 877. Consequently, another firm was engaged to provide the required tax information in late Month 2. The facts show that Taxpayer reasonably relied on a qualified tax professional and the professional failed to make or advise Taxpayer to submit a ruling request under § 877 within one year of Date One.

Treas. Reg. § 301.9100-1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the standards set forth in § 301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in § 301.9100-3(e)) 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.

In the present situation, Section IV of Notice 97-19 fixes the time for an individual to submit a ruling request under I.R.C. § 877. Therefore, the Commissioner has discretionary authority under § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the standards set forth in § 301.9100-3(a).

Based on the facts and circumstances of this case, we conclude that Taxpayer satisfies § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time until 45 days from the date of this ruling letter to submit a ruling request under I.R.C. § 877 as provided by Section IV of Notice 97-19, as modified by Notice 98-34.

No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented. Specifically, no opinion is expressed as to the tax consequences under I.R.C. § 877.

A copy of this ruling letter should be associated with the ruling request filed pursuant to Notice 97-19.

This ruling is directed only to the taxpayer who requested it. I.R.C. § 6110(k)(3) provides that it may not be used or cited as precedent.

Pursuant to a power of attorney on file in this office, a copy of this letter is being sent to Taxpayer.

Sincerely,

Associate Chief Counsel (International)

By: _____
Allen Goldstein
Reviewer

Enclosure
Copy for 6110 purposes