

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

[Third Party Communication:

Date of Communication: Month DD, YYYY]

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:INTL

PLR-127072-04

Date:

August 05, 2005

LEGEND

Taxpayer =

Individual =

A

Individual =

B

CPA Firm =

Date A =

Year one =

R return =

S return =

T return =

U return =

V return =

W return =

State Y =

State Z =

Dear :

This replies to your representative's letter dated May 5, 2004, in which your representative requests on behalf of Taxpayer an extension of time under Treas. Reg. § 301.9100-3 to file the election and agreement described in § 1.1503-2(g)(2)(i), in accordance with Schedule A, which is attached to and made a part of this ruling letter. The information submitted for consideration is substantially as set forth below.

The ruling contained in this letter is predicated upon facts and representations submitted by the Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Prior to Date A, Taxpayer's administrative offices and national headquarters were located in state Y.

For the tax return years R through V, the in-house tax department at the state Y location, with Individual A as the tax director, was responsible for complying with all federal and state tax matters.

In the summer of year one, during the preparation of the U.S. consolidated tax return for the V return, Taxpayer began to move its tax department to state Z. This move caused a nearly complete turn-over of personnel in the accounting and tax departments at the state Y location. This turn-over included Individual A who decided not to move to state Z. Because so few tax personnel relocated to state Z from state Y, new personnel had to be hired to work in the tax department at the state Z location. However, the tax department at the state Y location and Individual A remained responsible for the preparation and filing of the U.S. consolidated tax return for the V return.

Individual B was hired at the state Z location as the new tax director to replace Individual A, but there was no formal transition of Individual A's position to Individual B. Individual B began the process of preparing the tax return for the W return by reviewing the V return. During this review, Individual B raised questions concerning whether Taxpayer had any losses in foreign jurisdictions that were deducted on the V return. These questions eventually led Individual B to engage the services of CPA Firm to assist in the understanding of this issue. Subsequently, CPA Firm together with Individual B and other in-house tax professionals confirmed that Taxpayer should have filed dual consolidated loss elections and agreements for the entities and tax years listed on Schedule A.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the rules 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 -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. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides 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 within the meaning of § 301.9100-3(b), subject to the conditions set forth in § 301.9100-3(b)(3), and the grant of relief will not prejudice the interests of the Government within the meaning of § 301.9100-3(c).

In the present situation, the election and agreement described in Treas. Reg. § 1.1503-2(g)(2)(i) is a regulatory election as defined in § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file the election and agreement described in § 1.1503-2(g)(2)(i) in accordance with Schedule A.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the elections and agreements. Treas. Reg. § 301.9100-1(a).

A copy of this ruling letter should be associated with the elections and agreements.

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.

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.

Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to your authorized representatives.

Sincerely,

Associate Chief Counsel (International)

By: /s/ Meryl Silver

Meryl Silver
Reviewer

Enclosures:
Schedule A
Copy for 6110 purposes

SCHEDULE A