

## Internal Revenue Service

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Department of the Treasury  
Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

**CC: INTL – PLR-137549-05**

Date: January 23, 2006

In Re:

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Year 1 =

Year 2 =

Year 4 =

CPA Firm =

Amount aa =

Amount bb =

Amount cc =

Amount dd =

Amount ee =

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Amount ff =

Dear :

This is in response to a letter dated July 11, 2005, requesting an extension of time under Treas. Reg. § 301.9100-3 to file elections under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable, and annual certifications under Treas. Reg. § 1.1503-2(g)(2)(vi)(B) or Treas. Reg. § 1.1503-2T(g)(2)(vi)(B), as applicable, (certifications) with respect to dual consolidated losses attributable to the interests of Entities 1 through 3. 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.

Taxpayer is the common parent of an affiliated group that files a U.S. consolidated tax return. The interests in Entities 1 through 3 are hybrid entity separate units (as described in §1.1503-2(c)(4)) owned by domestic corporations that are members of Taxpayer's consolidated group. For Year 1 and Year 2, losses attributable to the interests in Entities 1 through 3 were dual consolidated losses, and elections were not filed with Taxpayer's Year 1 and Year 2 tax returns with respect to these losses. Additionally, certifications with respect to the Year 1 losses attributable to the interests in Entities 1 through 3 were not filed with Taxpayer's tax return for Year 2. The amount of the dual consolidated losses is as follows:

	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>
<b>Entity 1</b>	Amount aa	Amount bb
<b>Entity 2</b>	Amount cc	Amount dd
<b>Entity 3</b>	Amount ee	Amount ff

Taxpayer engaged CPA Firm to review its consolidated tax returns for Year 1 and Year 2. CPA Firm was responsible for reviewing Taxpayer's tax returns for accuracy and completeness and to advise Taxpayer with respect to the reporting of significant transactions that occurred during the tax year. This included ensuring that all reporting requirements associated with the dual consolidated losses attributable to the interests in Entities 1 through 3 were met in a timely fashion. In reviewing Taxpayer's tax returns for Year 1 and Year 2, CPA Firm failed to identify that elections and certifications were not filed with respect to the dual consolidated losses attributable to the interests in Entities 1 through 3. In early Year 4, when the Year 1 and Year 2 transactions that

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gave rise to the losses were reviewed by the national office of CPA Firm, it was discovered that the elections and certifications needed to be filed.

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 Treas. Reg. § 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 the evidence (including affidavits described in Treas. Reg. § 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, the filings described in Treas. Reg. § 1.1503-2T(g)(2) are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 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 elections and certifications for the dual consolidated losses described in this letter attributable to the interests in Entities 1 through 3.

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

A copy of this ruling letter should be associated with the election agreements and the annual certifications that are the subject of this ruling.

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.

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

Sincerely,

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Robert W. Lorence  
Senior Counsel  
Office of Chief Counsel (International)

Enclosure:  
Copy for 6110 purposes

cc: