

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC: INTL – PLR-130582-05

Date: March 31, 2006

In Re: .

Taxpayer =

EIN:

Entity =

EIN

Year 1 =

Year 2 =

Year 3 =

Amount aa =

Amount bb =

Dear

This is in reply to a letter dated June 3, 2005, requesting an extension of time under Treas. Reg. § 301.9100-3 to file the following: (1) annual certifications described in Treas. Reg. §§ 1.1503-2(g)(2)(vi)(B) or 1.1503-2T(g)(2)(vi)(B), as applicable, for Year 2 and Year 3 with respect to the dual consolidated loss incurred by Entity in Year 1; and (2) an annual certification described in Treas. Reg. § 1.1503-2T(g)(2)(vi)(B) for Year 3 with respect to the dual consolidated loss incurred by Entity in Year 2.

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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, a domestic corporation, is the common parent of an affiliated group that files a federal consolidated income tax return. The interest in Entity held by a domestic affiliate of Taxpayer is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Dual consolidated losses of Amount aa for Year 1 and Amount bb for Year 2 are attributable to the interest in Entity.

Taxpayer filed an election described in Treas. Reg. 1.1502-2(g)(2)(i) with its Year 1 return for the Year 1 loss and with its Year 2 return for the Year 2 loss. Taxpayer, however, failed to file an annual certification for the Year 1 loss with its returns for Year 2 and Year 3. While Taxpayer filed an annual certification for the Year 2 loss with its return for Year 3, Taxpayer filed an improper certification because the amount of the stated loss did not equal Amount bb. Taxpayer relied on its tax department to properly comply with the filing requirements of the section 1503(d) regulations, and the tax department failed to properly file the annual certifications.

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 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. § 301.9100-3(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. §§ 1.1503-2(g)(2) and 1.1503-2T(g)(2), as applicable, are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas.

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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 annual certifications for the dual consolidated losses described in this letter.

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

A copy of this ruling letter should be associated with 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.

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

Sincerely,

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

Enclosure:
Copy for 6110 purposes