

## 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-111190-06**

Date: November 21, 2006

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Entity 6 =

Entity 7 =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

Year 5 =

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Year 6 =

Amount aa =

Amount bb =

Amount cc =

Amount dd =

Amount ee =

Amount ff =

Amount gg =

Amount hh =

Amount ii =

Amount jj =

Amount kk =

Amount ll =

Amount mm =

Amount nn =

Amount oo =

Amount pp =

Amount qq =

Amount rr =

Amount ss =

Amount tt =

Amount uu =

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Amount vv	=
Amount ww	=
Amount xx	=
Amount yy	=
Amount zz	=
Amount aaa	=
Amount bbb	=
Country A	=
Country B	=
Country C	=
Country D	=
Country E	=
Country F	=
Country G	=

Dear

This is in response to a letter dated February 10, 2006, 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 (“Elections”), 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 (“Annual Certifications”), for Years 1 through 6 with respect to dual consolidated losses attributable to the Taxpayer’s separate units owned indirectly through Taxpayer’s direct or indirect ownership of Entities 1 through 7,<sup>1</sup> as described below. Additional information was received in letters dated February 13, 17, and June 9 and 16, and November 3, 2006. The information submitted for consideration is substantially as set forth below.

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<sup>1</sup> References to the Taxpayer also include references to its affiliated subsidiaries filing a consolidated U.S. federal income tax return with Taxpayer.

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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.

Entity 1 is disregarded as an entity separate from its owner. The interest in Entity 1 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 1 has activities in Country A that constitute a foreign branch ("Entity 1 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 1 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses of Amount aa for Year 1, Amount bb for Year 2, Amount cc for Year 3, Amount dd for Year 4, Amount ee for Year 5 and Amount ff for Year 6 are attributable to Entity 1 Branch. No dual consolidated losses are attributable to the interest in Entity 1. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Entity 1 Branch.

Entity 2 is a partnership. Taxpayer's interest in Entity 2 is a separate unit as described in Treas. Reg. § 1.1503-2(c)(3)(i)(B), and a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 2 has activities in Country B that constitute a foreign branch ("Entity 2 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Taxpayer's interest in Entity 2 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses of Amount gg for Year 1, Amount hh for Year 2, Amount ii for Year 3, Amount jj for Year 4, Amount kk for Year 5 and Amount ll for Year 6 are attributable to Taxpayer's interest in Entity 2 Branch. No dual consolidated losses are attributable to taxpayer's interest in Entity 2. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Taxpayer's interest in Entity 2 Branch.

Entity 3 is disregarded as an entity separate from its owner. The interest in Entity 3 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 3 has activities in Country C that constitute a foreign branch ("Entity 3 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 3 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses of Amount mm for Year 2, Amount nn for Year 3, Amount oo for Year 4, Amount pp for Year 5 and Amount qq for Year 6 are attributable to Entity 3 Branch. No dual consolidated losses are attributable to the interest in Entity 3. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Entity 3 Branch.

Entity 4 is disregarded as an entity separate from its owner. The interest in Entity 4 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 4 has activities in Country D that constitute a foreign branch ("Entity 4 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 4 Branch is a separate unit described

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in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses of Amount rr for Year 3, Amount ss for Year 4, Amount tt for Year 5 and Amount uu for Year 6 are attributable to Entity 4 Branch. No dual consolidated losses are attributable to the interest in Entity 4. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Entity 4 Branch.

Entity 5 is disregarded as an entity separate from its owner. The interest in Entity 5 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 5 has activities in Country E that constitute a foreign branch ("Entity 5 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 5 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses of Amount vv for Year 2, Amount ww for Year 3, Amount xx for Year 4, Amount yy for Year 5 and Amount zz for Year 6 are attributable to Entity 5 Branch. No dual consolidated losses are attributable to the interest in Entity 5. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Entity 5 Branch.

Entity 6 is disregarded as an entity separate from its owner. The interest in Entity 6 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 6 has activities in Country F that constitute a foreign branch ("Entity 6 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 6 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). A dual consolidated loss of Amount aaa for Year 4 is attributable to Entity 6 Branch. No dual consolidated losses are attributable to the interest in Entity 6. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Entity 6 Branch.

Entity 7 is a partnership. Taxpayer's interest in Entity 7 is a separate unit as described in Treas. Reg. § 1.1503-2(c)(3)(i)(B) and a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 7 has activities in Country G that constitute a foreign branch ("Entity 7 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Taxpayer's interest in Entity 7 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). A dual consolidated loss of Amount bbb for Year 6 is attributable to Taxpayer's interest in Entity 7 Branch. No dual consolidated losses are attributable to Taxpayer's interest in Entity 7. Taxpayer failed to file or filed incomplete Elections for dual consolidated losses attributable to Taxpayer's interest in Entity 7 Branch.

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.

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§ 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 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 described in this letter for dual consolidated losses attributable to Entity 1 Branch, Taxpayer's interest in Entity 2 Branch, Entity 3 Branch through Entity 6 branch and Taxpayer's interest in Entity 7 Branch, for Years 1 through 6. Taxpayer is not required to file Annual Certifications under the facts described herein because the Taxpayer's dual consolidated losses are attributable to separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A) and, therefore, an extension of time is not necessary in this regard. Treas. Reg. § 1.1503-2(g)(2)(vi)(C).

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

A copy of this ruling letter should be associated with the Elections 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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John J. Merrick  
Special Counsel  
Office of Associate Chief Counsel  
(International)

Enclosure:  
Copy for 6110 purposes