

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:ITA:B04
PLR-152222-06

Date:
March 15, 2007

Date 1 =
Date 2 =

Dear :

This is in reference to a Form 3115, *Application for Change in Accounting Method*, submitted on behalf of the above-named taxpayer requesting permission to change its method of accounting from the overall cash to accrual method and the percentage of completion for long-term contracts. The taxpayer has requested that the Form 3115 be considered timely filed under the authority contained in § 301.9100-3 of the Regulations on Procedure and Administration (Regulations).

The taxpayer was required to make this regulatory change of accounting method for the tax year ending on Date 2 on a timely filed a Form 3115. The taxpayer did not file a Form 3115 by the required Date 2. The taxpayer's late Form 3115 included an adjustment under § 481(a) of the Internal Revenue Code (Code).

Section 1.446-1(e)(2)(i) of the Income Tax Regulations provides that, to obtain consent to change its method of accounting, a taxpayer must file an application on Form 3115 with the Commissioner during the taxable year in which the taxpayer desires to make the change in method of accounting. See *also* § 5.01 of Rev. Proc. 97-27, 1997-2 C.B. 680.

A taxpayer that fails to file a Form 3115 during the year of change as provided in § 5.01(1) of Rev. Proc. 97-27 will not be granted an extension of time to file under

§ 301.9100 of the Regulations if the change is required, except in unusual and compelling circumstances. See § 301.9100-3(c)(2)(i).

In the present case, after careful review of the surrounding facts and representations, the taxpayer has not demonstrated unusual and compelling circumstances for filing the Form 3115 beyond its due date. Further, granting the requested relief would prejudice the interests of the government. Therefore, your request for an extension of time to file a Form 3115 is denied.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it may be subject to verification on examination.

Except as expressly provided herein, we express no opinion concerning the tax consequences of any aspect of any item discussed or referenced in this letter.

This ruling is directed only to the taxpayer(s) requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the provisions of a power of attorney currently on file, we are sending a copy of this letter to the taxpayer's authorized representative.

Sincerely,

Donna Welch
Senior Technician Reviewer, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosures