

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **200736005**
Release Date: 9/7/2007

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 1445.00-00, 1445.07-00,
1445.07-02, 9100.00-00

Person To Contact: _____, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:B04
PLR-111214-07

Date:
May 31, 2007

Legend

Transferor =

Taxpayer =

Property X =

Property Y =

Date 1 =

Dear :

This replies to a letter submitted February 1, 2007, in which Taxpayer requests a ruling under Treas. Reg. §§ 301.9100-1 and 301.9100-3 for an extension of time to provide the notice required by Treas. Reg. § 1.1445-2(d)(2)(i) and an extension of time to file that notice with the Director, Philadelphia Service Center, with respect to a transfer of property on Date 1 from Transferor to Taxpayer. The information submitted for consideration is set forth below.

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 is subject to verification on examination.

On Date 1, Transferor transferred Property X and Property Y to Taxpayer ("Transfer 1"). Taxpayer intends to transfer Property X to a wholly-owned entity in the near future ("Transfer 2"). The wholly-owned entity will be a foreign corporation for U.S. tax purposes.

Taxpayer is a holding company whose primary assets are Property X and Property Y. For Transfer 1, Taxpayer failed to file the notice required by Treas. Reg. § 1.1445-2(d)(2)(i). Taxpayer now requests an extension of time to file the notice.

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) defines a regulatory election as an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement. In this instance, Treas. Reg. § 1.1445-2(d)(2)(i)(B) provides the time to file a notice of nonrecognition with the IRS. The Commissioner therefore has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time to file this notice.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to Treas. Reg. § 301.9100-3 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: (1) the taxpayer acted reasonably and in good faith; and (2) the grant of relief will not prejudice the interests of the Government. Based on the facts and circumstances of this case, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time until 60 days from the date of this ruling letter to file a notice of nonrecognition pursuant to Treas. Reg. § 1.1445-2(d)(2)(i) with respect to the transfer of Property X and Property Y from Transferor to Taxpayer.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file a notice of nonrecognition with respect to Transfer 1. Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, no opinion is expressed as to whether Transfer 1 qualifies for nonrecognition treatment under § 351(a) or § 897(e). In addition, no opinion is expressed as to whether Transfer 2 will be taxable under § 367.

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

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

David B. Bailey
Assistant to the Branch Chief, Branch 4
Office of the Associate Chief Counsel
(International)

Enclosure:
Copy for 6110 Purposes

cc: