

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **200831007**
Release Date: 8/1/2008

[Third Party Communication:
Date of Communication: Month DD, YYYY]
Person To Contact:

Index Number: 897.00-00, 1445.02-08,
9100.00-00, 9100.22-00

, ID No.
Telephone Number:

Refer Reply To:
CC:INTL:B04
PLR-105207-08
Date:
April 29, 2008

Taxpayer =

Parent =

Entity 1 =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Date 1 =

Date 2 =

Date 3 =

Dear _____ :

This replies to a letter dated January 29, 2008, in which Taxpayer requests an extension of time under Treas. Reg. § 301.9100-3 to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2). The information submitted for consideration is substantially as set forth below.

The rulings contained in this letter are based upon information and representations submitted by 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 ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer is a foreign corporation wholly-owned by Parent, also a foreign corporation. Taxpayer wholly owns Entity 1, a domestic limited liability company, which is disregarded as an entity separate from Taxpayer for federal tax purposes. Entity 1 wholly owns Sub 1, a domestic corporation, which owns other entities including Sub 2, a domestic corporation. On Date 1, Entity 1 formed Sub 3, a foreign corporation, in a transaction pursuant to section 351. On Date 2, Entity 1 transferred Sub 1 to Sub 3 in a transaction pursuant to section 351. On Date 3, Entity 1 formed Sub 4, a foreign corporation, in a transaction pursuant to section 351. Also on Date 3, Entity 1 transferred the stock of newly formed Sub 4 to Sub 3 in a transaction pursuant to section 351. Finally, on Date 3, Sub 3 transferred the stock of Sub 1 to Sub 4 in a transaction pursuant to section 351. Neither Taxpayer nor Sub 1 timely filed the statements and notices required under Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2) to establish that Sub 1 was not a U.S. real property holding corporation and that withholding under section 1445 was not required upon the disposition of the stock of Sub 1.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 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. An election includes an application for relief in respect of tax.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that the grant of relief will not prejudice the interests of the government.

Based on the facts and circumstances of this case, we conclude that the standards of Treas. Reg. §301.9100-3(a) have been satisfied. Accordingly, the parties are granted an extension of time until 60 days from the date of this ruling letter to satisfy the statement, notice, and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-2(c)(3) with respect to the transfer of Sub 1 stock on Date 2 and the transfer of Sub 1 stock on Date 3.

The granting of an extension of time is not a determination that the parties are otherwise eligible to comply with the statement, notice, and withholding requirements. Treas. Reg. § 301.9100-1(a). No opinion is expressed as to the application of any other section of the Code or regulations to the facts presented.

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. A copy of this ruling should be attached with the statements and the notices mailed to the IRS.

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

Sincerely,

David B. Bailey
Assistant to the Branch Chief, Branch 4
(International)

cc: