

## Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:B01

PLR-136156-11

**Date: January 30, 2012**

### Legend

X1 =

X2 =

X3 =

X4 =

X5 =

X6 =

X7 =

X8 =

X9 =

X10 =

Country1 =

Country2 =

Country3 =

Country4 =

Country5 =

Country6 =

Date1 =

Date2 =  
Date3 =  
Date4 =  
Date5 =  
Date6 =  
Date7 =  
Date8 =  
Date9 =  
Date10 =

Dear \_\_\_\_\_ :

This responds to a letter dated August 26, 2011, submitted on behalf of X1, X2, X3, X4, X5, X6, X7, X8, X9, and X10, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations for X1, X2, X3, X4, X5, X6, X7, X8, X9, and X10 to file entity classification elections under § 301.7701-3(c) to be treated as partnerships for federal tax purposes.

#### FACTS

According to the information submitted, X1 was formed under the laws of Country1 on Date1. X2 was formed under the laws of Country1 on Date2. X3 was formed under the laws of Country1 on Date3. X4 was formed under the laws of Country2 on Date4. X5 was formed under the laws of Country3 on Date5. X6 was formed under the laws of Country4 on Date6. X7 was formed under the laws of Country5 on Date7. X8 was formed under the laws of Country6 on Date8. X9 was formed under the laws of Country5 on Date9. X10 was formed under the laws of Country4 on Date10.

X1, X2, X3, X4, X5, X6, X7, X8, X9, and X10 represent that they are foreign entities eligible to elect to be treated as partnerships for federal tax purposes. However, X1, X2, X3, X4, X5, X6, X7, X8, X9, and X10 failed to timely file Form 8832, Entity Classification Election, electing to be treated as partnerships, effective D1, D2, D3, D4, D5, D6, D7, D8, D9, and D10, respectively.

#### LAW AND ANALYSIS

Section 301.7701-3(a) provides in part that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes. An eligible entity with at least two members can elect to be classified as either an association or a partnership, and an eligible entity with a single owner can elect to be classified as an association or to be disregarded as an entity separate from its owner.

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Generally, a foreign eligible entity is treated as an association if all members have limited liability, unless the entity makes an election to be treated otherwise. A foreign eligible entity with two or more members having limited liability may elect to be treated as a partnership pursuant to the rules of § 301.7701-3(c). Section 301.7701-3(c) provides that an entity classification election must be filed on Form 8832 and can be effective up to 75 days prior to the date the form is filed or up to 12 months after the date the form is filed.

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I. Section 301.9100-1(b) defines the term “regulatory election” as including an election whose due date is prescribed by a regulation published in the Federal Register.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election. Sections 301.9100-2 provides automatic extensions of time for making certain elections. Sections 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2. Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

## CONCLUSION

Based solely on the information submitted and the representations made, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. As a result, X1 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date1. X2 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date2. X3 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date3. X4 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date4. X5 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date5. X6 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date6. X7 is granted an

extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date7. X8 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date8. X9 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date9. X10 is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a partnership for federal tax purposes, effective Date10. A copy of this letter should be attached to each Form 8832.

The respective rulings above are contingent on the parties filing within 120 days of this letter all required returns and amended income tax returns consistent with the requested relief. To the extent appropriate, these returns must include, but are not limited to, Forms 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, such that these forms reflect the consequences of the relief granted in this letter.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of the facts described above under any other provision of the Internal Revenue Code and the regulations thereunder.

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.

Sincerely,

Associate Chief Counsel  
(Passthroughs & Special Industries)

By: \_\_\_\_\_  
David R. Haglund  
Chief, Branch 1  
(Passthroughs & Special Industries)

Enclosures (2)  
Copy of this letter  
Copy for § 6110 purposes