

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **201226005**
Release Date: 6/29/2012

Third Party Communication: None
Date of Communication: Not Applicable
Person To Contact:
, ID No.
Telephone Number:

Index Number: 9100.10-01

Refer Reply To:
CC:ITA:B06
PLR-104112-12
Date:
March 26, 2012

In re: Request for Extension of Time to File Form 3115, Application for Change in Method of Accounting.

Taxpayer =

Courier =

Date 1 =

Date 2 =

Dear :

This letter responds to a letter dated January 20, 2012, requesting an extension of time pursuant to § 301.9100-3 of the Procedure and Administration Regulations for Taxpayer to file a Form 3115, Application for Change in Method of Accounting, to change its method of accounting for lessee improvements abandoned at the termination of a lease, beginning with the taxable year beginning Date 1, and ending Date 2 (year of change).

FACTS

Taxpayer represents that the facts are as follows:

Taxpayer did not timely file the Form 3115 under the provisions of Rev. Proc. 97-27, 1997-1 C.B. 680, for the year of change. On Date 2, Courier picked up the Form

3115 at Taxpayer's office. Taxpayer instructed Courier to mail the Form 3115, by certified mail, on Date 2. Courier failed to mail the Form 3115 on Date 2.

RULING REQUESTED

Taxpayer requests an extension of time pursuant to § 301.9100-3 to file the Form 3115 to change its method of accounting for lessee improvements abandoned at the termination of a lease, beginning with the year of change.

LAW AND ANALYSIS

Rev. Proc. 97-27, 1997-1 C.B. 680, provides the general procedures under § 446(e) of the Internal Revenue Code and § 1.446-1(e) of the Income Tax Regulations for obtaining the consent of the Commissioner of Internal Revenue to change a method of accounting for federal income tax purposes.

Section 5.01(1)(a) of Rev. Proc. 97-27 provides that a taxpayer changing a method of accounting pursuant to Rev. Proc. 97-27 must file its Form 3115 during the year of change.

Under § 301.9100-1, the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election.

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. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-3(a) provides that requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence 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.

CONCLUSIONS

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, Taxpayer is granted 30 calendar days from the date of this letter to file the Form 3115 to change its method of accounting for lessee improvements abandoned at the termination of a lease, beginning with the year of change.

The ruling contained in this letter is based upon information and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the materials submitted in support of the letter ruling request, such material is subject to verification on examination.

Except as specifically set forth above, no opinion is expressed or implied concerning the federal tax consequences of any aspect of the facts described above under any other provisions of the Code. Specifically, no opinion is expressed or implied as to whether the Commissioner will grant consent to Taxpayer to make its change in accounting method.

In accordance with the power of attorney, we are sending a copy of this letter to Taxpayer's authorized representatives. We are also sending a copy of this letter to the appropriate operating division director.

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

Sincerely yours,

Kathleen Reed

Kathleen Reed
Chief, Branch 7
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosures (2):
copy of this letter
copy for section 6110 purposes