

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:PSI:B02
PLR-149152-12
Date:
December 18, 2012

Legend

X = :

Y =

Date 1 =

Date 2 =

Date 3 =

Country =

Dear :

This is in response to a letter dated November 14, 2012, and subsequent correspondence, submitted on behalf of X, by X's authorized representative, requesting that the Service grant X an extension of time under § 301.9100-1(c) of the Procedure and Administration Regulations to elect to treat Y as a disregarded entity for federal tax purposes.

According to the information submitted, Y was formed under the laws of Country on Date 1. Through its wholly owned subsidiaries, X acquired Y on Date 2. Y is a foreign entity eligible to be treated as a disregarded entity for U.S. income tax purposes. Y's default classification was an association taxable as a corporation. Y represents that it intended to elect to be treated as a disregarded entity for federal tax purposes effective Date 3. Y prepared and timely filed a Form 8832, Entity Classification Election.

However, Y mistakenly filed a Form 8832 to be treated as an association taxable as a corporation, its default classification, effective Date 3.

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 a single owner can elect to be classified as an association or 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. Unless the entity elects otherwise, a foreign eligible entity is treated as an association if all members have limited liability. A foreign eligible entity with a single owner having limited liability may elect to be treated as a disregarded entity pursuant to the rules under § 301.7701-3(c).

Section 301.7701-3(c)(1)(iii) provides that an entity classification election must be filed on Form 8832 and can be effective up to 75 days prior to the election filing date or more than 12 months after the election filing date.

Section 301.9100-1(c) provides that 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 by which the Commissioner will determine whether to grant an extension of time to make an election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 describes the conditions under which the Commissioner will grant requests for relief 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 (1) the taxpayer acted reasonably and in good faith, and (2) granting relief will not prejudice the interests of the government.

Based solely on the facts submitted and representations made, we conclude that the requirements of § 301.9100-3 have been satisfied. Accordingly, Y is granted an extension of 120 days from the date of this letter to elect to be classified as a disregarded entity for federal tax purposes, effective Date 3. The elections should be made by filing Form 8832 with the appropriate service center. A copy of this letter should be attached to each election.

This ruling is contingent on Y filing within 120 days of this letter all required returns and amended income tax returns consistent with the requested relief in this letter. To the extent appropriate these returns must include, but are not limited to Form

8858, Information Return of U.S. Persons With Respect to Disregarded Entities, such that the forms and returns reflect the consequences of the relief granted in this letter. A copy of this letter should be attached to any such returns.

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. This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Internal Revenue 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 will be sent to Y's authorized representative.

Sincerely,

Associate Chief Counsel
(Passthroughs & Special Industries)

By: _____
Charlotte Chyr
Senior Technician Reviewer, Branch 2
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

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

cc: