



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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Dear _____ :

This letter responds to your letter dated March 17, 2016, requesting that the Internal Revenue Service issue a letter ruling to your client that retroactively revokes an S election made by a prior owner of your client's limited liability company (LLC). Your client acquired the LLC along with _____ in _____, and the LLC has filed consistently as a partnership since _____. The LLC has learned recently that its prior owner made an election to be treated as an S corporation.

The LLC may qualify for relief under § 301.9100-3 of the Procedure and Administration regulations to make a late entity classification election to be treated as a partnership. However, we cannot consider a ruling request without the documents and information required in all ruling requests, see Rev. Proc. 2016-1, § 7.01, 2016-1 I.R.B. 1, and the additional information to be provided regarding a late entity classification, which is described in § 301.9100-3 of the Procedure and Administration Regulations. In addition, a request for a letter ruling requires the payment of the applicable user fee listed in Appendix A of the revenue procedure. Therefore, we are responding to you with this general information letter that describes the general procedures for requesting relief.

For general background, Section 301.7701-3(a) provides 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 as provided in § 301.7701-3. Under § 301.7701-3(a), an eligible entity with at least two members can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) or a partnership. Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided in § 301.7701-3(b), or to change its

classification, by filing Form 8832, Entity Classification Election, with the service center designated on Form 8832. Section 301.7701-3(c)(1)(iii) provides that an election made under § 301.7701-3(c)(1)(i) will be effective on the date specified by the entity on Form 8832 or on the date filed, if no date is specified on the election form. The effective date specified on Form 8832 can not be more than 75 days prior to the date on which the election is filed and can not be more than 12 months after the date on which the election is filed.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 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 Code, except subtitles E, G, H, and I. Section 301.9100-1(b) defines a regulatory election to include an election whose due date is prescribed by a regulation published in the Federal Register. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for regulatory elections that do not meet the requirements of § 301.9100-2. Under § 301.9100-3, a request for relief will be granted when the taxpayer provides the evidence (including affidavits described in § 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.

This letter has called your attention to certain general principles of law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2016-1, § 2.04. Information letters are advisory only, and therefore the Internal Revenue Service is not bound by any statements contained herein.

We hope this general information is helpful. Please contact our office at if you have further questions.

Sincerely,

Bradford Poston
Senior Counsel, Branch 3
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures (2):

- Rev. Proc. 2016-1, 2016-1 I.R.B. 1
- 26 C.F.R. § 301.9100-3