

Internal Revenue Service

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Person To Contact:
, ID No.

Telephone Number:

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Date:
June 17, 2014

LEGEND

X =

Y =

Z =

A =

State 1 =

State 2 =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Dear _____ :

This letter responds to your request for a written determination, dated December 13, 2013, submitted on behalf of X, seeking a ruling that X be granted an extension of time pursuant to § 301.9100 of the Procedure and Administration Regulations to file a corrected Form 8832, Entity Classification Election, with respect to Y and Z.

FACTS

According to the information submitted, we understand the relevant facts to be as follows. X incorporated in State 1 on Date 1 and elected to be classified as an S corporation effective Date 1. Y was formed as a single member limited liability company in State 2 on Date 2 and elected to be classified as an S corporation effective Date 3. Z was formed as a single member limited liability company in State 2 on Date 4 and elected to be classified as an S corporation effective Date 4. On Date 5, A (sole shareholder of Y and Z) contributed all of A's membership interests in Y and Z to X in exchange for interests in X. Following the reorganization, X intended to file elections classifying both Y and Z as entities disregarded as an entity separate from its owner effective Date 6. However, the entity classification elections were mistakenly filed with an effective date of Date 5.

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(c)(2) provides that an election must be signed by (A) Each member of the electing entity who is an owner at the time the election is filed; or (B) Any officer, manager, or member of the electing entity who is authorized to make the election and who represents to having such authorization under penalties of perjury.

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 6 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 an election whose due date is prescribed by a regulation published in the Federal Register or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

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 the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension 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 evidence to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) granting relief will not prejudice the interests of the government.

CONCLUSION

Based solely on the facts submitted and representations made, we conclude that the requirements of section 301.9100-3 have been satisfied. Accordingly, X is granted an extension of time of 120 days from the date of this letter to elect to be disregarded as an entity separate from its owner for federal tax purposes, effective Date 6. The election should be made by filing Form 8832, Entity Classification Election, with the appropriate service center. A copy of this letter should be attached to the election.

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(s) 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 the taxpayer.

Sincerely,

Laura Fields

Laura Fields
Senior Technician Reviewer, Branch 1
Office of the Associate Chief Counsel
(Passthroughs and Special Industries)

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

cc: