

Internal Revenue Service

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Person To Contact:
, ID No.

Telephone Number:

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April 23, 2015

Legend

X =

Y1 =

Y2 =

Y3 =

Y4 =

Y5 =

Y6 =

Y7 =

Y8 =

Y9 =

Y10 =

Y11 =

Y12 =

Country1 =

Country2 =

Country3 =

Year =

Date1 =

Date2 =

Date3 =

Date4 =

Date5 =

Date6 =

Date7 =

Date8 =

Date9 =

Date10 =

Date11 =

Date12 =

Dear :

This letter responds to a letter dated November 7, 2014, and subsequent correspondence submitted on behalf of X, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations for X to file entity classification elections on behalf of Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12.

The information submitted states that X is a domestic corporation formed in Year. X is the common parent of an affiliated group of corporations that files a consolidated federal income tax return. X represents that it established or acquired twelve foreign entities, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 at various times. X represents that it always expected that it would wholly own, either directly or indirectly, each of these twelve foreign entities upon formation or acquisition by X, that X is the only party that has contributed capital to each of these twelve entities, and that X has consistently reported all of the activities, assets and liabilities of these twelve entities on its federal income tax returns beginning from each of their respective dates of formation or acquisition by X. X further represents the following: Y1 was formed on Date1 under the laws of Country1; Y2 was formed on Date2 under the laws of Country1; Y3 was formed on Date3 under the laws of Country2; Y4 was formed on Date4 under the laws of Country1; Y5 was formed on Date5 under the laws of Country1; Y6 was formed on Date6 under the laws of Country1; Y7 was formed on Date7 under the laws of Country1; Y8 was acquired by X on Date8 after having been previously formed under the laws of Country1; Y9 was formed on Date9 under the laws of Country3; Y10 was formed on Date10 under the laws of Country1; Y11 was formed on Date11 under the laws of Country1; and Y12 was acquired by X on Date8 after having been previously formed under the laws of Country1. X represents that Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 are all foreign entities that were eligible to elect to be treated as disregarded entities for federal tax purposes, effective on each of their respective dates of formation or acquisition by X. However, no entity classification elections were filed for Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 at any of those times.

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. Elections are necessary only when an eligible entity does not want to be classified under the default classification or when an eligible entity chooses to change its classification.

Section 301.7701-3(b) provides default classification for an eligible entity that does not make an election. Section 301.7701-3(b)(2)(i) provides that, unless the entity elects otherwise, a foreign eligible entity is (A) a partnership if it has two members and at least one member does not have limited liability; (B) an association if all members have limited liability; or (C) disregarded as an entity separate from its owner if it has a single owner that does not have limited liability.

Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b)(2) by filing Form 8832 with the appropriate service center. Under § 301.7701-3(c)(1)(iii), this election will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified. The date specified on Form 8832 cannot be more than 75 days prior to the date on which the election is filed and no more than 12 months after the date the election is filed.

Section 301.7701-3(c)(1)(iv) provides that if an eligible entity makes an election under § 301.7701-3(c)(1)(i) to change its classification (other than an election made by an existing entity to change its classification as of the effective date of this section), the entity cannot change its classification by election again during the sixty months succeeding the effective date of the election. However, the Commissioner may permit the entity to change its classification by election within the sixty months if more than fifty percent of the ownership interests in the entity as of the effective date of the subsequent election are owned by persons that did not own any interests in the entity on the filing date or on the effective date of the entity's prior election.

Section 301.7701-3(c)(2)(i) provides, in general, that an election made under § 301.7701-3(c)(1)(i) 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 (under local law or the entity's organizational documents) to make the election and who represents to having such authorization under penalties of perjury.

Section 301.7701-3(c)(2)(iii) provides that, for purposes of § 301.7701-3(c)(2)(i), if an election under § 301.7701-3(c)(1)(i) is made to change the classification of an entity, each person who was an owner on the date that any transactions under § 301.7701-3(g) are deemed to occur, and who is not an owner at the time the election is filed, must also sign the election.

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) provides

that the term “regulatory election” includes 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 the election. Section 301.9100-2 provides the rules governing automatic extension 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 a taxpayer provides evidence to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonable and in good faith, and (2) granting relief will not prejudice the interests of the government.

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, X is granted an extension of time of 120 days from the date of this letter to file Forms 8832 with the appropriate service center on behalf of Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 to elect to treat Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 as disregarded entities for federal tax purposes, effective on each of their respective dates of formation as indicated above (except that the elections for Y8 and Y12 will have an effective date of Date12 rather than Date8). A copy of this letter should be attached to each Form 8832. A copy is enclosed for that purpose.

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. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 are otherwise eligible to make the elections.

In addition, except as specifically set forth above, we express no opinion concerning the assessment of any interest, additions to tax, additional amounts, or penalties for failure to file a timely income tax or information return with respect to any taxable year that may be affected by this ruling. For example, we express no opinion as to whether a taxpayer is entitled to relief from any penalty on the basis that the taxpayer had reasonable cause for failure to file timely any income tax or information returns.

This ruling is conditioned on X filing within 120 days from the date of this letter all income tax or information returns that X would have been required to file on behalf of itself or on behalf of Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9, Y10, Y11 and Y12 under the Internal Revenue Code for all taxable years affected by this ruling, consistent with the relief provided in this letter. A copy of this letter should be attached to any such returns. To the extent appropriate, these returns may include, but are not limited to, Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, and

Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, such that these forms reflect the consequences of the relief granted in this letter.

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 X's authorized representative.

Sincerely,

Associate Chief Counsel
(Passthroughs & Special Industries)

By: _____
Bradford R. Poston
Senior Counsel, Branch 3
Office of Associate Chief Counsel
(Passthroughs & Special Industries)

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