

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
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PLR-128939-16

Date:  
March 08, 2017

Legend

Taxpayer =  
Date 1 =  
Year 2 =  
Date 3 =

Dear \_\_\_\_\_ :

This letter responds to Taxpayer's request, dated Date 1, for an extension of time under § 301.9100-1(c) of the Procedure and Administration Regulations to file a Form 3115, Application for Change in Accounting Method, for Year 2. Taxpayer failed to file its Form 3115 by the due date, Date 3, and instead submitted it to this office with this request for an extension of time.

Taxpayer would like to obtain permission to change its overall method of accounting from the cash receipts and disbursements method to an accrual method of accounting for Year 2. The accounting method change that Taxpayer proposes to make requires an adjustment under § 481(a) of the Internal Revenue Code.

Generally, a taxpayer that fails to make an election timely may submit a request for relief under §§ 301.9100-1 through -3, to obtain an extension of time to make the desired election. For this purpose, § 301.9100-1(b) defines an election as including a request to adopt, change, or retain an accounting method.

To obtain an extension of time to make a regulatory election that does not meet the requirements of § 301.9100-2 (automatic extensions), such as in the instant case, a taxpayer must satisfy the requirements set forth in § 301.9100-3. A request for relief subject to § 301.9100-3 is granted when the taxpayer demonstrates to the satisfaction

of the Commissioner of the Internal Revenue that it acted reasonably and in good faith, and that granting the relief will not prejudice the interests of the Government. See id.

Special rules apply for determining whether the Government's interests are prejudiced when a taxpayer seeks relief with respect to an accounting method regulatory election. See § 301.9100-3(c)(2). If the taxpayer's intended election is subject to the advance consent procedure described in § 1.446-1(e)(3)(i) of the Income Tax Regulations or requires an adjustment under § 481(a), the Government's interests are deemed to be prejudiced except in unusual and compelling circumstances. See id.

The information furnished by Taxpayer demonstrates to the satisfaction of the Commissioner that it acted reasonably and in good faith, and that granting an extension of time to make the desired regulatory election would not prejudice the interests of the Government. Accordingly, the Form 3115 that Taxpayer submitted with its request for an extension of time under § 301.9100-1(c) will be considered as timely filed for Year 2.

Except as expressly provided herein, no opinion is expressed or implied as to the application of any provisions of the Code or the regulations that may be applicable to the transaction. The extension of time to file a Form 3115 granted in this ruling is not a determination that Taxpayer will be permitted to change its accounting method as proposed. That determination will be made separately upon the review of Taxpayer's Form 3115.

This ruling is directed only to Taxpayer, who requested it. Section 6110(k)(3) 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 Taxpayer's authorized representative.

The ruling contained in this letter is based upon information and representations submitted by Taxpayer and accompanied by the appropriate penalty of perjury statements. While this office has not verified any of the material submitted in support of

the request for this ruling, all information and representations is subject to verification on examination.

Sincerely,

Cheryl L. Oseekey  
Senior Counsel, Branch 6  
Office of Associate Chief Counsel  
(Income Tax & Accounting)

Enclosure

Copy for § 6110 purposes

cc: