

## Internal Revenue Service

Number: **201744017**

Release Date: 11/3/2017

Index Number: 7701.02-00, 9100.00-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:1

PLR-133654-16

Date:

July 28, 2017

### Legend

X =

Y =

Z =

Country =

Date =

Dear :

This responds to a letter dated October 18, 2016, and subsequent correspondence, submitted on behalf of X, Y, and Z requesting extensions of time under § 301.9100-3 of the Procedure and Administration Regulations for X, Y, and Z to file entity classification elections under § 301.7701-3(c) to be treated as a partnerships for federal tax purposes.

### FACTS

According to the information submitted, X, Y, and Z were each formed under the laws of Country. X, Y, and Z represent that they are foreign entities eligible to elect to be treated as partnerships for U.S. federal tax purposes as of Date. However, X, Y, and Z failed to timely file Forms 8832, Entity Classification Election, electing to be treated as partnerships effective Date.

## 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(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Generally, a foreign eligible entity is treated as an association if all members have limited liability, unless the entity makes an election to be treated otherwise. A foreign eligible entity with two or more members having limited liability may elect to be treated as a partnership pursuant to the rules of § 301.7701-3(c). Section 301.7701-3(c) provides that an entity classification election must be filed on Form 8832 and can be effective up to 75 days prior to the date the form is filed or up to 12 months after the date the form is filed.

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

## CONCLUSION

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, Y, and Z are granted extensions of time of 120 days from the date of this letter to file Forms 8832 with the appropriate service center and elect to be treated as partnerships for federal tax purposes, effective Date. A copy of this letter should be attached to the Forms 8832.

This ruling is contingent on X, Y, and Z and their owner filing within 120 days of this letter all required original or amended information and tax returns for all open years consistent with the requested relief. These returns must include, but are not limited to, Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, such that these forms reflect the consequences of the relief granted in this letter. A copy of this letter should be attached to any such returns.

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.

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 your authorized representatives.

Sincerely,

Associate Chief Counsel  
(Passthroughs & Special Industries)

*Laura C. Fields*

By: \_\_\_\_\_  
Laura C. Fields  
Senior Technician Reviewer, Branch 1  
Office of the Associate Chief Counsel  
(Passthroughs & Special Industries)

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