

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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1502.00-00, 1502.75-00

Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
CC:CORP:3  
PLR-108092-19  
Date:  
September 12, 2019

Legend

ForeignCo =

Parent =

Sub1 =

Sub2 =

Sub3 =

Sub4 =

Date1 =

Date2 =

%X =

Company Official =

Tax Professionals =

Dear :

This letter responds to a letter dated April 9, 2019, submitted on behalf of Parent requesting an extension of time under §301.9100-3 of the Procedure and Administration Regulations to file an election. The extension is being requested for Parent, Sub1, Sub2, Sub3, and Sub4 to make an election to file a consolidated Federal income tax return, with Parent as the common parent, under §1.1502-75(a)(1) of the Income Tax Regulations (hereinafter referred to as the "Election"), effective for the taxable year ending Date1. The material information submitted is summarized below.

Prior to Date2, ForeignCo owned all the stock of Parent (which owned all of the stock of Sub1) and %X of the stock of Sub2 (which owned all of the stock of Sub3, which in turn owned all of the stock of Sub4).

On Date2, ForeignCo contributed all of its stock in Sub2 to Parent in a transaction represented to qualify as a reverse acquisition pursuant to §1.1502-75(d)(3)(i). As a result of the reverse acquisition on Date2, the affiliated group (Parent Group) that included Parent, Sub1, Sub2, Sub3, and Sub4 came into existence with Parent as the common parent.

An election for the Parent Group to elect to file a consolidated Federal income tax return for the taxable year ending Date1 was due on the last day prescribed by law (including extensions of time) for filing Parent's return (after taking into account the required change in the taxable year for Parent as a result of the reverse acquisition under §1.1502-75(d)(3)(v)). However, for various reasons, a valid election was not made. Subsequently, this request was submitted under §301.9100-3 for an extension of time to file the election.

Parent has represented that it does not seek to alter a return position for which an accuracy-related penalty has been or could be imposed under section 6662. The period of limitations on assessment under section 6501(a) has not expired for the taxable year ending on Date1 or any subsequent taxable year.

Section 1.1502-75(a)(1) provides that a group which did not file a consolidated return for the immediately preceding taxable year may file a consolidated return in lieu of separate returns for the taxable year, provided that each corporation which has been a member of the group during any part of the taxable year for which the consolidated return is to be filed consents to the regulations under section 1502. If a group wishes to exercise its privilege of filing a consolidated return, such consolidated return must be filed not later than the last day prescribed by law (including extensions of time) for filing the common parent's return.

Under §301.9100-1(c), the Commissioner has discretion to 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.

Sections 301.9100-1 through 301.9100-3 provide the standards that the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-1(a). Section 301.9100-2 provides automatic extensions of time for making certain elections. Requests for relief under §301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government. Section 301.9100-3(a).

In this case, the time for filing the Election is fixed by the regulations (*i.e.*, §1.1502-75(a)(1)). Therefore, the Commissioner has discretionary authority under §301.9100-3 to grant an extension of time for the Parent Group to file the Election, provided Parent shows it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Information, affidavits, and representations submitted by Parent, Company Official, and Tax Professionals explain the circumstances that resulted in the failure to timely file the Election. The information establishes that the request for relief was filed before the failure to make the Election was discovered by the Internal Revenue Service. See §301.9100-3(b)(1)(i).

Based on the facts and information submitted, including the representations made, we conclude that Parent has shown it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government. Accordingly, provided Parent Group qualifies substantively to file a consolidated return for the applicable tax year, an extension of time is granted under §301.9100-3, until 45 days from the date on this letter, for Parent to file the Election (by filing a consolidated return, with Parent as the common parent, and attaching a Form 1122 for each of Sub1, Sub2, Sub3, and Sub4) for the taxable year ending Date1. Parent Group must attach a copy of this letter to such return, or if Parent

Group files the return electronically, a statement may be attached to the return that provides the date and control number (PLR-108092-19) of this letter ruling.

The above extension of time is conditioned on Parent Group's tax liability (if any) being not lower, in the aggregate, for all years to which the Election applies than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to Parent Group's tax liability for the year involved. A determination thereof will be made by the applicable Director's office upon audit of the Federal income tax returns involved.

We express no opinion with respect to whether Parent Group qualifies substantively to file a consolidated return. In addition, we express no opinion as to the tax effects or consequences of filing the Election late under the provisions of any other section of the Code or regulations, or as to the tax treatment of any conditions existing at the time of, or effects resulting from, filing the Election late that are not specifically set forth in the above ruling. For purposes of granting relief under §301.9100-3, we relied on certain statements and representations made by the taxpayer and its representatives. However, the Director should verify all essential facts. In addition, notwithstanding that an extension is granted under §301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

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.

Pursuant to the power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Thomas I. Russell  
Chief, Branch 1  
Office of Associate Chief Counsel (Corporate)

cc: