



the Forms 3115, reflecting the desired accounting method change, and attached the original to Parent's timely filed, federal income tax return for the taxable year beginning Date1 and ended Date2. The due date for the Return was Date3.

Because Parent did not have all the required information necessary to file a complete and accurate return on or before Date3, Parent intended to file Form 7004, *Application for Automatic Extension of Time To File Certain Business Income Tax*, and obtain an extension of time to file the Return. However, due to a series of events, Parent failed to timely file Form 7004, for the taxable year ending Date2 to extend the due date for the Return. Not realizing that the time to file the Return had not been properly extended to Date4, P completed the preparation of the Return and e-filed the Return on Date5. The Return included a copy of the executed Form 3115 under the belief, at the time, that the Form 7004 extension request had been timely filed and the Return properly extended. On Date5, the Internal Revenue Service confirmed receipt of the Return. Around Date6, while preparing its return for the following year, Parent self-discovered that the Form 7004 had not been timely filed and the Return was filed late.

As a result of Parent's failure to timely file Form 7004 for the taxable year beginning Date1, and ended Date2, the original Forms 3115 were not attached to a timely filed federal income tax return for that taxable year, and the signed duplicate copies of C's Form 3115 was not timely filed with the appropriate IRS office as required by section 6.03(1)(a)(i) of Rev. Proc. 2015-13.

## LAW AND ANALYSIS

Rev. Proc. 2015-13 provides the automatic change procedures and the non-automatic change procedures by which a taxpayer may obtain consent to change its methods of accounting. Pursuant to section 9 of Rev. Proc. 2015-13, a taxpayer that complies with all the applicable provisions of Rev. Proc. 2015-13 and implements the change in method of accounting on its federal income tax return for the requested year of change to which the original Form 3115 is attached pursuant to section 6.03 of Rev. Proc. 2015-13, has obtained the consent of the Commissioner of Internal Revenue to change its method of accounting under § 446(e) and the regulations thereunder.

Section 6.03(1)(a)(i) of Rev. Proc. 2015-13 provides that a taxpayer changing a method of accounting under the automatic change procedures of Rev. Proc. 2015-13 must complete and file a Form 3115 in duplicate. The original must be attached to the taxpayer's timely filed (including any extensions) original federal income tax return for the year of change, and a signed copy of the original Form 3115 must be filed with the appropriate office of the IRS no earlier than the first day of the requested year of change and no later than when the original Form 3115 is filed with the federal income tax return for the requested year of change.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections.

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.

Section 301.9100-3(a) provides that requests for relief subject to § 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 the granting of relief will not prejudice the interests of the Government.

Section 301.9100-3(c)(2) imposes special rules for accounting method regulatory elections. This section provides, in relevant part, that the interests of the Government are deemed to be prejudiced except in unusual and compelling circumstances when the accounting method regulatory election for which relief is requested is subject to the procedure described in § 1.446-1(e)(3)(i) or the relief requires an adjustment under § 481(a) (or would require an adjustment under 481(a) if the taxpayer changed to the accounting method for which relief is requested in a taxable year subsequent to the taxable year the election should have been made).

### CONCLUSION

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, Parent is granted an extension of time to:

1. file the original of the Forms 3115 changing Entities' methods of accounting, beginning for the taxable year beginning Date1, and ended Date2, and
2. file the signed duplicate copies of the original Form 3115 with the appropriate office of the IRS.

In this regard, we will consider the filing of the original Form 3115 with Parent's federal income tax return for the taxable year beginning Date1, and ended Date2, that was filed on Date5, to be timely made. We also will consider the filing of the signed duplicate copies of the original Forms 3115 with the IRS office in Ogden, Utah, on Date5, to be timely made.

Except as expressly set forth above, we express no opinion concerning the tax consequences of the facts described above under any other provision of the Code or regulations. Specifically, no opinion is expressed or implied concerning whether (1) the accounting method changes Entities have made are eligible to be made under the

automatic change procedures of Rev. Proc. 2015-13 or (2) Entities otherwise meet the requirements of Rev. Proc. 2015-13 to make the accounting method change using the automatic change procedures of Rev. Proc. 2015-13. Lastly, we emphasize that this letter ruling does not grant any extension of time for the filing of Parent's Form 7004 or its consolidated federal income tax return for the taxable year beginning Date1 and ended Date2.

The ruling contained in this letter ruling is based upon facts and representations submitted by Parent with an accompanying penalty of perjury statement executed by the appropriate party. While this office has not verified any of the material submitted in support of this request for an extension of time to file the required Forms 3115, all material is subject to verification on examination.

This letter ruling is directed only to Parent, who requested it on behalf of Entities. Section 6110(k)(3) provides that it may not be used or cited as precedent

In accordance with the power of attorney, we are sending copies of this letter ruling to Parent's authorized representatives.

Sincerely,

Lisa Mojiri-Azad  
Senior Technician Reviewer  
Branch 4  
Office of Associate Chief Counsel  
(Income Tax and Accounting)

Enclosures

cc:

**ATTACHMENT**

<b><u>Taxpayer</u></b>	<b><u>TIN</u></b>	<b>Date1 Tax Year of Change begins <u>(MM/DD/YYYY)</u></b>	<b>Date2 Tax year of Change Ends <u>(MM/DD/YYYY)</u></b>
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