

Internal Revenue Service

Number: **202328020**

Release Date: 7/14/2023

Index Number: 9100.09-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

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CC:ITA:B4

PLR-124303-22

Date:

April 14, 2023

Legend

Taxpayer =

Year =

Date 1 =

Date 2 =

Dear :

This ruling is in reference to Taxpayer's Form 1128, *Application To Adopt, Change, or Retain a Tax Year*, requesting permission to change its accounting period from a taxable year ending December 31, to a taxable year ending June 30, effective June 30, Year. Taxpayer requested that the Form 1128 be considered timely filed under the authority in § 301.9100-3 of the Procedure and Administration Regulations.

Taxpayer, a domestic corporation, is currently on a taxable year ending December 31. Taxpayer's professional tax preparer inadvertently failed to request an extension of time to file the short period return. Due to this oversight, the short period return and Form 1128 were due on Date 1. Taxpayer filed this request on Date 2, which is within 90 days after Date 1, the due date of the return for the short period.

Rev. Proc. 2006-45, 2006-2 C.B. 851, provides procedures for certain corporations to obtain automatic approval to change their annual accounting period under § 442 of the Internal Revenue Code. A corporation complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner of the Internal Revenue Service to change its annual accounting period. Section 7.01(2) of Rev. Proc. 2006-45 provides that a Form 1128 filed pursuant to the revenue procedure will be considered timely filed for purposes of § 1.442-1(b)(1) of the Income Tax Regulations only if it is filed on or before the time (including extensions) for filing the return for the short period required to effectuate the change.

Section 301.9100-3(a) provides that requests for extension of time for regulatory elections that do not meet the requirements of § 301.9100-2 (automatic extensions), such as the instant case, must be made under the rules of § 301.9100-3. Requests for relief subject to § 301.9100-3 will be granted when the taxpayer provides evidence to establish that the taxpayer acted reasonably and in good faith, and that the granting of relief will not prejudice the interest of the government.

Based on the facts and information submitted and the representations made, we conclude that Taxpayer has acted reasonably and in good faith, and that the granting of relief will not prejudice the interests of the government. Accordingly, Taxpayer has satisfied the requirements of the regulations for the granting of relief, and Taxpayer's late filed Form 1128 requesting to change to June 30, effective June 30, Year, will be considered timely filed.¹

Because a change in accounting period under Rev. Proc. 2006-45 is under the jurisdiction of the Director, Internal Revenue Service Center, where the taxpayer's returns are filed, please forward Form 1128, along with a copy of this letter, to the Service Center where the Taxpayer's returns are filed, within 60 days of the date of this letter. Any further communication regarding this matter should be directed to the Service Center.

This ruling is based upon facts and representations submitted by Taxpayer and a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. However, as part of an examination process, the Service may verify the factual information, representations, and other data submitted.

This ruling addresses the granting of § 301.9100-3 relief only. We express no opinion regarding the tax treatment of the instant transaction under the provisions of any other sections of the Code or regulations that may be applicable, or regarding the tax treatment of any conditions existing at the time of, or effects resulting from, the instant transaction. Specifically, we express no opinion as to whether Taxpayer is permitted under the Code and applicable regulations to change to the tax year requested in the Form 1128, or whether the change may be effected under Rev. Proc. 2006-45. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

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. Enclosed is a copy of the letter ruling showing the deletions proposed to be made when it is disclosed under § 6110.

¹ The taxpayer's application for a change in accounting period will be processed under Rev. Proc. 2006-45.

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,

Mon Lam
Senior Counsel, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: