

## Internal Revenue Service

Number: **202350012**

Release Date: 12/15/2023

Index Number: 9100.10-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

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PLR-114429-23

Date:

September 20, 2023

### LEGEND

Taxpayer =

Applicant 1 =

Applicant 2 =

CPA =

Date A =

Date B =

Year 1 =

Dear :

This ruling responds to a recent letter that was submitted by Taxpayer's representative, CPA. CPA has requested that the Commissioner of the Internal Revenue Service give Taxpayer an extension of time pursuant to §§ 301.9100-1 and 301-9100-3 of the Procedure and Administration Regulations to file the duplicate copy of a Form 3115, Application for Change in Accounting Method, on behalf of Applicant 1 and Applicant 2 (collectively, Applicants). Taxpayer should have filed this Form 3115, pursuant to section 6.03(1)(a)(i) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, on or before Date A.

## FACTS

Taxpayer represents the following facts:

Taxpayer is the parent corporation of an affiliated group filing a consolidated federal income tax return. Applicant 1 and Applicant 2 are corporations and members of Taxpayer's consolidated group. Taxpayer engaged CPA to prepare and file the consolidated return for Year 1. While preparing the return, CPA determined that Applicants were likely using an improper method of accounting under § 263A. Subsequently, CPA was engaged to prepare a Form 3115 to change Applicants' method of accounting under § 263A using the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2022-14, 2022-7 I.R.B. 502.

Taxpayer timely filed Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, which provided Taxpayer an extension until Date A to file its consolidated return for Year 1.

In completing its duties, CPA electronically filed Taxpayer's Form 1120, with the Form 3115 attached, and mailed the duplicate copy of Form 3115 on Date A. See section 6.03(1)(a)(i) of Rev. Proc. 2015-13. The consolidated return was filed on a basis consistent with Applicants' method changes having been properly implemented. However, on Date B, CPA determined that the duplicate copy of Form 3115 had been inadvertently sent to one of Taxpayer's operating locations, rather than the appropriate IRS Service Center. See section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13. CPA mailed the duplicate copy of Form 3115 to the appropriate IRS Service Center on Date B. CPA subsequently submitted this request for an extension of time to file the duplicate copy of Taxpayer's Form 3115.

## RULING REQUESTED

Taxpayer requests an extension of time pursuant to §§ 301.9100-1 and 301.9100-3 to file the duplicate copy of the Form 3115 required by Rev. Proc. 2015-13 in order to change Applicants' method under § 263A.

## LAW AND ANALYSIS

Rev. Proc. 2015-13 provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner to change its method of accounting under § 446(e) and the Income Tax Regulations thereunder.

Section 6.03(1)(a)(i) of Rev. Proc. 2015-13 provides that a taxpayer changing an accounting method pursuant to 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 copy (with signature) of the Form 3115 must be filed with the appropriate office of the Internal Revenue Service no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under 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 standard 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.

### CONCLUSION

Based solely on the representations submitted, this office concludes that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied in this case. Accordingly, Taxpayer is granted 45 calendar days from the date of this letter to file the required duplicate copy of the Form 3115 (identical to the original copy already filed with the Service) changing Applicants' method of accounting under § 263A for Year 1. Please attach a copy of this letter ruling to the duplicate copy.

Except as expressly set forth above, this office neither expresses nor implies any opinion concerning the tax consequences of the facts described above under any other provision of the Code or regulations. Specifically, we have no opinion, either expressed or implied, concerning whether the accounting method change Taxpayer has attempted to make on behalf of Applicants is eligible to be made under the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2022-14, or whether Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make accounting method changes using Rev. Proc. 2015-13. Further, we express no opinion regarding the propriety of Applicants' proposed methods of accounting under § 263A.

The ruling contained in this letter ruling is based upon facts and representations submitted by CPA on behalf of itself, Taxpayer, and Applicants, with accompanying penalties of perjury statements executed by appropriate parties. 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 Form 3115, all material is subject to verification on examination.

This ruling is directed only to Taxpayer. 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 our office, we will send a copy of this letter to each of Taxpayer's authorized representatives.

Sincerely,

ANNA W. GLEYSTEN  
Senior Counsel, Branch 6  
(Income Tax & Accounting)

Enc.: Copy for § 6110 purposes

cc: