

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **202435004**
Release Date: 8/30/2024

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 9100.00-00, 9100.10-00,
9100.10-01

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:ITA:B07
PLR-103872-24

Date:
June 03, 2024

Re: Request for Extension of Time to File Duplicate Form 3115

Legend

Taxpayer =
Date1 =
Date 2 =
Firm =

Dear :

This ruling letter responds to a letter dated January 4, 2024, submitted by Taxpayer, and subsequent correspondence dated May 8, 2024, submitted by Taxpayer’s authorized representative, in which Taxpayer requests 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 the Form 3115, *Application for Change in Accounting Method*, to change its method of accounting described below, effective for the taxable year beginning on Date 1 and ending on Date 2 (Taxable Year), as required under section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, 432. This letter ruling is being issued electronically in accordance with section 7.02(5) of Rev. Proc. 2024-1, 2024-1 I.R.B. 1, 34.

FACTS

Taxpayer represents that the facts are as follows:

Taxpayer is a partnership for Federal income tax purposes. Taxpayer files a Form 1065, *U.S. Return of Partnership Income*, on a calendar-year basis and uses an overall accrual method of accounting for Federal income tax purposes.

Firm, an outside tax consulting firm, prepared Taxpayer's Federal income tax return for Taxable Year, along with the signed original Form 3115 at issue. Both the Federal income tax return and the Form 3115 were timely filed. The Form 3115 requested a change in method of accounting for Taxpayer's depreciation method and class life of certain assets under the automatic change procedures of section 6.01(1) of Rev. Proc. 2015-13 for the change described in section 6.01 Rev. Proc. 2022-14, 2022-7 I.R.B. 502, 515 (designated automatic accounting method change number (DCN) 7). The accounting method change and accompanying adjustment under § 481(a) of the Internal Revenue Code were reflected on Taxpayer's original Federal income tax return for Taxable Year.

However, due to an administrative oversight, Taxpayer failed to file the duplicate copy of the Form 3115 with the Ogden, UT Internal Revenue Service (IRS) office by the deadline set forth in section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13. The Chief Accounting Officer (CAO) of Taxpayer was new to Firm's transmittal processes and did not notice that a separate copy of the Form 3115 was provided as the document was delivered separately. Subsequently, the CAO of Taxpayer received a reminder from Firm's delivery system, alerting the CAO that there was an outstanding action item with respect to the duplicate copy of the Form 3115. As soon as the oversight was discovered, Taxpayer sent the duplicate copy of Form 3115 to the Ogden, UT IRS office and submitted this request for an extension of time to file the duplicate copy of Taxpayer's Form 3115.

RULING REQUESTED

Taxpayer is requesting an extension of time under §§ 301.9100-1 and 301.9100-3 to file the duplicate copy of the Form 3115 for Taxable Year to the Ogden, UT IRS office in accordance with section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13.

LAW AND ANALYSIS

Rev. Proc. 2015-13, 2015-5 I.R.B. 419, as clarified and modified by Rev. Proc. 2015-33, 2015-24 I.R.B. 1067, and further modified by Rev. Proc. 2016-1, 2016-1 I.R.B. 1, Rev. Proc. 2017-59, 2017-48 I.R.B. 543, Rev. Proc. 2021-26, 2021-22 I.R.B. 1163, and Rev. Proc. 2021-34, 2021-35 I.R.B. 337, provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. Section 9 of Rev. Proc. 2015-13 provides that consent of the Commissioner to change a taxpayer's accounting method under § 446(e) and § 1.446-1(e) of the Income Tax Regulations is granted only if the taxpayer 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.

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

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 301.9100-1(c) provides that the Commissioner has the 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.

Section 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by regulations published in the Federal Register, a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin. The requested accounting method change is a regulatory election because the due date of the change is prescribed in § 1.446-1(e) and section 6.03(1)(a)(i) of Rev. Proc. 2015-13.

Taxpayer's request must be analyzed under the requirements of § 301.9100-3 because the automatic extensions provided in § 301.9100-2 are not applicable.

Section 301.9100-3(a) provides that requests for relief subject to § 301.9100-3 will be granted when a 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 representation submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied in Taxpayer's case. Accordingly, Taxpayer is granted 60 calendar days from the date of this letter to file the required duplicate copy of the Form 3115 pertaining to the previously described accounting change for the Taxable Year. Please attach a copy of this letter ruling to the duplicate copy of the Form 3115 to be filed with Ogden, UT IRS office.

Except as expressly set forth above, we express no opinion concerning the Federal 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 change discussed in this private letter ruling is described in section 6.01 of Rev. Proc. 2022-14 or is eligible to be made under the automatic change procedures of Rev. Proc. 2015-13; (2) Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make its accounting method change using the procedures of Rev. Proc. 2015-13; or (3) Taxpayer's method of accounting for its depreciable tangible property at issue in this request is permissible.

The ruling contained in this letter ruling is based upon information and representations submitted by and on behalf of Taxpayer, with accompanying penalty 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 copy of the Form 3115, all material is subject to verification on examination.

This letter ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that this ruling 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 Taxpayer's authorized representative. We are also sending a copy of this letter ruling to the appropriate IRS operating division official.

Sincerely,

Amy S. Wei
Senior Technical Reviewer, Branch 7
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosure:

copy of this letter
copy for section 6110 purposes

cc: