

**Internal Revenue Service**

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Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

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Refer Reply To:  
CC:ITA:B06  
PLR-114711-24  
Date:  
October 15, 2024

LEGEND

Taxpayer =

CPA =

Applicant =

Date A =

Date B =

Taxable Year =

Date C =

Date D =

Date E =

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 original version of a Form 3115, Application for Change in Accounting Method, on behalf of Applicant. Taxpayer

represents that it 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 of corporations, including Applicant, that file a consolidated federal income tax return. This consolidated federal income tax return is filed on a fiscal year ending on Date B. Taxpayer and Applicant provide customer experience services and technology.

Taxpayer engaged CPA to prepare a Form 3115 to change Applicant's method of accounting "for capitalizing costs to self-constructed property under section 263A of the Internal Revenue Code," which Taxpayer believes could be filed using the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2023-24, 2023-28 I.R.B. 1207.

Taxpayer represents that it timely filed Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, and Other Returns, which provided Taxpayer an extension until Date A to file its consolidated federal income tax for Taxable Year.

Taxpayer states that it did file the required duplicate copy of Form 3115 on Date C, prior to the extended due date of Date A.<sup>1</sup> The original copy of the Form 3115 was attached to Taxpayer's tax return for Taxable Year, and Applicant "implemented the method change and took into account the one-fourth of the section 481(a) adjustment, in accordance with Section 7.03(1) of Rev. Proc. 2015-13."

However, due to technological issues with its tax preparation software, Taxpayer could not transmit its tax return to the Internal Revenue Service by Date A. The following day, on Date D, Taxpayer remedied the issues and filed its consolidated federal income tax return. Within days, on Date E, Taxpayer engaged CPA, who confirmed that the consolidated federal income tax return was accepted by the IRS on Date D and thus the return and the Form 3115 were late. Subsequently, Taxpayer submitted this request for an extension of time to file the original 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 original copy of the Form 3115 required by Rev. Proc. 2015-13 in order to

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<sup>1</sup> Taxpayer also represents that it timely provided the Internal Revenue Service's examining agent with a copy of the Form 3115.

change Applicant's method for capitalizing costs to self-constructed assets under IRC § 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 IRC § 446(e) and the Income Tax Regulations thereunder.

Section 6.03(1)(a)(i) 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, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied in this case. Accordingly, we hereby grant an extension of time for Taxpayer to file the original Form 3115 changing Applicant's method of capitalizing costs to self-constructed assets under § 263A for Taxable Year, with an amended consolidated federal income tax return. No other revision to this return can be made. The Form 3115 must be identical to the copy of the Form 3115 that had been filed previously with the appropriate office of the Internal Revenue Service. The extension shall be for a period of 45 days from the date of this letter ruling. Please attach a copy of this letter ruling to the amended return.

Except as expressly set forth above, we neither express nor imply 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 Applicant is eligible to be made under the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2023-24, or whether Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make this accounting method change using Rev. Proc. 2015-13. Further, we express no opinion regarding the propriety of Applicant's proposed method of accounting under § 263A that is reflected in the Form 3115. Lastly, we emphasize that this letter ruling does not grant any extension of time for the filing of Taxpayer's consolidated federal income tax return for Taxable Year. Taxpayer is subject to any appropriate penalty and interest resulting from its failure to have its tax return filed timely.

The ruling contained in this letter ruling is based upon information and representations submitted by CPA on behalf of itself, Taxpayer, and Applicant, with an accompanying penalties of perjury statement executed by an 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 Form 3115, all material is subject to verification on examination.

This ruling is directed only to Taxpayer and Applicant. 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,

Cheryl L. Oseekey  
Senior Counsel, Branch 6  
Office of Associate Chief Counsel  
(Income Tax & Accounting)

Enc.: Copy for § 6110 purposes