

## Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Number: **202548015**

Release Date: 11/28/2025

Index Number: 9100.00-00, 1400Z.02-00

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

ID No.

Telephone Number:

Refer Reply To:

CC:ITA:B08

PLR-101615-25

Date:

July 14, 2025

## LEGEND

Date 1	=
Date 2	=
Date 3	=
Date 4	=
Date 5	=
Date 6	=
Month 1	=
Year 1	=
Year 2	=
Year 3	=
Accounting Firm	=
Advisor Entity	=
Entity	=
State	=
Limited Partner	=

Dear :

This letter responds to Taxpayer's request for a letter ruling dated Date 6. Specifically, Taxpayer requests relief under §§ 301.9100-1 and 301.9100-3<sup>1</sup> of the Procedure and Administration Regulations, for an extension of time to file Form 8996, *Qualified Opportunity Fund*, to self-certify as a qualified opportunity fund (QOF), as defined in § 1400Z-2(d) of the Internal Revenue Code (the code), effective as of Month 1, the first month in which Taxpayer intended to be a QOF.

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<sup>1</sup> Unless otherwise specified, all "section" references are to sections of the Internal Revenue Code (Code) and all "§" references to sections of the Treasury Regulations (26 CFR Part 1) or (26 CFR Part 301).

## FACTS

According to the information and representations provided, Taxpayer, a domestic limited partnership classified as a partnership for Federal income tax purposes, was formed on Date 1 in State to be a QOF. Specifically, Taxpayer was formed to invest in Qualified Opportunity Zone Property as defined in § 1400-2(d)(2) of the code. On Date 2, partners invested eligible gains, generated during Year 3, into Taxpayer and elected to defer such gains. Other than the contribution of eligible gains in exchange for all the limited partnership interests in Taxpayer on Date 2, Taxpayer had no other activity and neither received income nor incurred any expenditures treated as deductions or credits for federal income tax purposes in Year 3.

Advisor Entity was formed in Year 1 to invest and manage opportunity zone businesses. Advisor Entity is the investment manager and operator of both Taxpayer and Entity and advised on the formation of Taxpayer. Limited Partner is both a limited partner in Taxpayer and the senior vice president of Advisor Entity. Beginning in Year 2, Accounting Firm was engaged to prepare the income tax returns for Entity. Limited Partner's responsibilities include working with Accounting Firm to provide information regarding tax return preparation and financial statement assurances for Taxpayer and Entity. Limited Partner was the only contact between Taxpayer and Accounting Firm.

Limited Partner did not believe that Taxpayer had any filing requirement for Year 3 and did not file either Form 1065 or Form 8996 by Date 3, the filing deadline for Year 3. On Date 4 Accounting Firm learned of Taxpayer's existence and informed Limited Partner of the filing requirements to self-certify as a QOF. On Date 5 Taxpayer filed Forms 1065 and 8996 to self-certify as a QOF. On Date 6, Taxpayer filed request for private letter ruling.

Taxpayer represents that they are not seeking to alter a return position for which an accuracy-related penalty has been or could be imposed under section 6662 and that Taxpayer is not using hindsight in requesting relief. Taxpayer further represents that the tax liabilities of the parties involved will be the same if the relief is granted as if the QOF self-certification had been timely made. The period of limitations on assessment under § 6501(a) has not yet expired for any parties for the taxable year in which the Form 8996 should have been attached to Taxpayer's return.

## LAW AND ANALYSIS

Section 1400Z-2(e)(4) of the Internal Revenue Code directs the Secretary to prescribe such regulations as may be necessary to carry out the purposes of § 1400Z-2, including rules for the certification of QOFs. Section 1.1400Z2(d)-1(a)(2)(i) of the Income Tax Regulations provides that the self-certification of a QOF must be timely-filed and effectuated annually in such form and manner as may be prescribed by the Commissioner of Internal Revenue in the Internal Revenue Service forms or instructions, or in publications or guidance published in the Internal Revenue Bulletin. The Form 8996 Instructions published pursuant to these regulations specify that to self-

certify as a QOF, a taxpayer must file Form 8996 with its tax return for the year to which the certification applies by the due date of the tax return (including extensions).

Section 301.9100-3(a) of the Procedure and Administration Regulations provides that requests for extensions of time for regulatory elections (other than automatic extensions covered in § 301.9100-2) will be granted when the taxpayer provides evidence (including affidavits) to establish that the taxpayer acted reasonably and in good faith and the grant of relief will not prejudice the interests of the government.

Section 301.9100-3(b)(1) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer—

- (i) requests relief before the failure to make the regulatory election is discovered by the Service;
- (ii) failed to make the election because of intervening events beyond the taxpayer's control;
- (iii) failed to make the election because, after exercising reasonable diligence, the taxpayer was unaware of the necessity for the election;
- (iv) reasonably relied on the written advice of the Service; or
- (v) reasonably relied on a qualified tax professional, and the professional failed to make, or advise the taxpayer to make, the election.

In addition, § 301.9100-3(b)(3) provides that a taxpayer is deemed not to have acted reasonably and in good faith if the taxpayer—

- (i) seeks to alter a return position for which an accuracy-related penalty has been or could be imposed under § 6662 at the time the taxpayer requests relief, and the new position requires or permits a regulatory election for which relief is requested;
- (ii) was fully informed in all material respects of the required election and related tax consequences but chose not to make the election; or
- (iii) uses hindsight in requesting relief (if specific facts have changed since the original deadline that make the election advantageous to a taxpayer, the Service will not ordinarily grant relief).

Section 301.9100-3(c)(1) provides that the Commissioner will grant a reasonable extension of time to make the regulatory election only when the interests of the Government will not be prejudiced by the granting of relief. Section 301.9100-3(c)(1)(i) of the regulations provides that the interests of the Government are prejudiced if granting relief would result in a taxpayer having a lower tax liability in the aggregate for

all taxable years affected by the election than the taxpayer would have had if the election had been timely made (taking into account the time value of money).

### CONCLUSION

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 would not prejudice the interests of the government. Accordingly, based solely on the facts and information submitted, and the representations made in the ruling request, the Form 8996 attached to Taxpayer's federal income tax return for Year 3, filed on Date 5, is considered timely filed, and Taxpayer has thereby made the election under § 1400Z-2 and § 1.1400Z2(d)-1(a)(2)(i) to self-certify as a QOF beginning in Month 1. Taxpayer should submit a copy of this letter ruling to the Service Center where Taxpayer files its returns along with a cover letter requesting that the Service associate this ruling with the Year 3 tax return.

### CAVEATS

The granting of an extension of time in this ruling letter is not a determination that Taxpayer is otherwise eligible to self-certify as a QOF. See § 301.9100-1(a).

This ruling is based upon facts and representations submitted by the Taxpayer and accompanied by penalty of perjury statements executed by the appropriate parties.

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.

Except as expressly provided herein, no opinion is either expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we have no opinion, either express or implied, concerning whether any investments made in Taxpayer are qualifying investments as defined in § 1.1400Z-2(a)-1(b)(34) or whether Taxpayer meets the requirements under § 1400Z-2 and the regulations thereunder to be treated as a QOF. In addition, we also express no opinion on whether any interest owned in any entity by Taxpayer qualifies as qualified opportunity zone property, as defined in § 1400Z-2(d)(2), or whether such entity would be treated as a qualified opportunity zone business, as defined in § 1400Z-2(d)(3). We express no opinion regarding the tax treatment of the instant transaction under the provisions of any other sections of the Internal Revenue 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.

A copy of this letter must be attached to any 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. Taxpayers that have previously filed a return or administrative adjustment

requests attaching Form 8996 should submit a copy of this letter ruling to the Service Center where Taxpayer files its returns along with a cover letter requesting that the Service associate this ruling with the previous filing(s).

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) 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.

Pursuant to the Form 2848, Power of Attorney and Declaration of Representative, on file, we are sending a copy of this letter to Taxpayer's authorized representative.

Sincerely,

Erika C. Reigle  
Acting Branch Chief, Branch 8  
Office of Chief Counsel  
(Income Tax & Accounting)

cc: