

Internal Revenue Service

Number: **202552003**

Release Date: 12/26/2025

Index Number: 7701.00-00, 9100.31-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

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CC:PT&E:B03

PLR-107575-25

Date:

September 29, 2025

LEGEND

X =

Y =

Country =

Date 1 =

Date 2 =

Dear :

This letter responds to a letter dated February 12, 2025, submitted on behalf of X by its authorized representative, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file an election under § 301.7701-3 to be classified as a disregarded entity for federal tax purposes.

FACTS

According to the information submitted, X was organized as a private limited company under the laws of Country on Date 1. On Date 2, Y, a domestic corporation, acquired all the interests in X. X represents that (1) it was eligible to and intended to elect to be treated as a disregarded entity for federal tax purposes effective Date 2, and (2) all federal income tax returns consistent with X being classified as a disregarded entity effective Date 2 were filed. However, X inadvertently filed Form 8832, Entity Classification Election, electing to be classified as a disregarded entity effective Date 2.

LAW

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes. An eligible entity with a single owner can elect to be classified as an association (and thus a corporation under § 301.7701-2(b)(2)) or to be disregarded as an entity separate from its owner. Elections are necessary only when an eligible entity does not want to be classified under its default classification or when an eligible entity chooses to change its classification.

Section 301.7701-3(b)(2)(i) provides that, except for certain existing eligible entities described in § 301.7701-3(b)(3), unless a foreign eligible entity elects otherwise, the entity is: (A) a partnership if it has two or more members and at least one member does not have limited liability; (B) an association if all members have limited liability; or (C) disregarded as an entity separate from its owner if it has a single member that does not have limited liability.

Section 301.7701-3(b)(2)(ii) provides, in part, that for purposes of § 301.7701-3(b)(2)(i), a member of a foreign eligible entity has limited liability if the member has no personal liability for the debts of or claims against the entity by reason of being a member.

Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b) by filing Form 8832 with the appropriate service center. Under § 301.7701-3(c)(1)(iii), this election will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified. The effective date specified on Form 8832 cannot be more than 75 days prior to the date on which the election is filed and cannot be more than 12 months after the date on which the election is filed. If an election specifies an effective date more than 75 days prior to the date on which the election is filed, it will be effective 75 days prior to the date it was filed.

Section 301.7701-3(d)(1)(i) provides that a foreign eligible entity's classification is relevant when its classification affects the liability of any person for federal tax or information purposes.

Section 301.7701-3(d)(2) provides that if the classification of a foreign eligible entity has never been relevant (as defined in § 301.7701-3(d)(1)), then the entity's classification will initially be determined pursuant to the default classification provisions of § 301.7701-3(b)(2) when the classification of the entity first becomes relevant (as defined in § 301.7701-3(d)(1)(i)).

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the

Code except subtitles E, G, H, and I. Section 301.9100-1(b) provides that the term “regulatory election” includes an election whose due date is prescribed by a regulation published in the Federal Register.

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 the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Section § 301.9100-3(a) provides that a request for relief will be granted when the taxpayer provides the evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) the grant of relief will not prejudice the interests of the Government.

CONCLUSION

Based solely on the information submitted and the representations made, we conclude the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Therefore, we grant X an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be treated as a disregarded entity for federal tax purposes effective Date 2. A copy of this letter must accompany Form 8832.

This ruling is contingent on X and its owner, Y, filing, within 120 days of the date of this letter, to the extent necessary or appropriate, all required federal income tax returns and information returns (including amended returns) for all open years consistent with the requested relief granted in this letter. A copy of this letter must accompany any such returns.

If applicable, X’s election to be a disregarded entity effective Date 2 is disregarded for purposes of determining the amounts of all § 965 elements of all United States shareholders of X if the election otherwise would change the amount of any § 965 element of any such United States shareholder. See § 1.965-4(c)(2) of the Income Tax Regulations.

Except as expressly provided herein, we express or imply no opinion concerning the federal tax consequences of the facts described above under any other provision of the Code. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that the taxpayer is otherwise eligible to make the election.

Further, we express or imply no opinion concerning the assessment of any interest, additions to tax, additional amounts, or penalties for failure to file a timely income tax or information return with respect to any taxable year that may be affected by this ruling. For example, we express or imply no opinion as to whether a taxpayer is entitled to relief from any penalty on the basis that the taxpayer has reasonable cause for failure to file timely any income tax or information returns.

The rulings contained in this letter are based on information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the ruling request, it is subject to verification on examination.

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.

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,

Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

By: _____
Brian J. Barrett
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure:

Copy of this letter for § 6110 purposes

cc: