

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: Private Firm

Date of Communication: September 8, 2025

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:ITA:BR5

PLR-111491-25

Date:

September 15, 2025

LEGEND

Taxpayer =

State =

Tax Preparer =

Firm =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Year 1 =

Year 2 =

Dear :

This letter supersedes our letter dated Date 4, to correct an obvious error.

This ruling responds to Taxpayer's request for a letter ruling dated Date 1. Specifically, Taxpayer requests an extension of time under sections 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations, to file a self-certifying election on Form 8996, *Qualified Opportunity Fund* (Form 8996), for Taxpayer to be treated as a qualified opportunity fund (QOF), as defined in section 1400Z-2(d) of the Internal Revenue Code (Code) and section 1.1400Z2(d)-1(a) of the Income Tax Regulations effective as of Date 2.

FACTS

According to the affidavits and information provided to the Service, Taxpayer has represented that the facts are as follows. Taxpayer is a limited liability company organized under the laws of State and was formed on Date 2. Taxpayer is classified as a partnership for U.S. federal income tax purposes and was formed for the purpose of investing in qualified opportunity zone property and serving as a QOF.

According to the affidavits and information provided to the Service, Taxpayer had no income or expenses for Taxpayer's initial taxable year ending Date 3. Accordingly, the Taxpayer was unaware of the need to file a timely federal income tax return and Form 8996 for Year 1 in order to self-certify as a QOF as of Date 2.

Tax Preparer of Firm was engaged to file Taxpayer's Federal income tax return for Year 2. As part of Firm's engagement, it determined that Taxpayer had received capital contributions during Year 1 and had failed to file Form 8996 along with a timely filed Federal income tax return for Year 1. Upon learning that the Form 8996 was not timely filed, Taxpayer engaged Firm to file a private letter ruling request. Taxpayer then filed this ruling request seeking an extension of time to file Taxpayer's Form 8996, pursuant to sections 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations.

Taxpayer represents that it has not received any correspondence from the Service as to its failure to timely file the Form 8996. Taxpayer further represents that the granting of relief under section 301.9100-3 will not result in a lower tax liability for the years affected by the election.

LAW AND ANALYSIS

Section 1400Z-2(e)(4)(A) of the Internal Revenue Code directs the Secretary to prescribe regulations for rules for the certification of QOFs. Section 1.1400Z2(d)-1(a)(2) of the Income Tax Regulations provides the rules for an entity to self-certify as a QOF. Section 1.1400Z2(d)-1(a)(2)(i) provides that the entity electing to be certified as a QOF must do so annually on a timely filed return 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.

To self-certify as a QOF, a taxpayer must file Form 8996 with its tax return for the year to which the certification applies. The Form 8996 must be filed by the due date of the tax return (including extensions). The information provided indicates that Taxpayer's Form 8996 was not filed due to an error regarding the need to file a Federal income tax return for Year 1. Taxpayer did not file its Form 8996 by the due date of its income tax return (including extensions) due to this error.

Because section 1.1400Z2(d)-1(a)(2)(i) sets forth the manner and timing for an entity to self-certify as a QOF, these elections are regulatory elections, as defined in section 301.9100-1(b) of the Procedure and Administration Regulations.

Sections 301.9100-1 through 301.9100-3 provide the standards that the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-3(a) provides that requests for extensions of time for regulatory elections (other than automatic extensions covered in section 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.

Under section 301.9100-3(b)(i), a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer requests relief before the failure to make the regulatory election is discovered by the Service.

In addition, section 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 section 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) 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).

Section 301.9100-3(c)(1)(ii) provides that the interests of the government are ordinarily prejudiced if the taxable year in which the regulatory election should have been made or any taxable year that would have been affected by the election had it been timely made are closed by the period of limitations on assessment under section 6501(a) before the taxpayer's receipt of a ruling granting relief under section 301.9100-3.

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, we grant Taxpayer an extension of 60 days from the date of this letter ruling to file a tax return for Year 1, to make the election under section 1400Z-2 and section 1.1400Z2(d)-1(a)(2)(i). The election must be made on a completed Form 8996.

This ruling is based upon facts and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. 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 expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express no opinion, either express or implied, concerning whether any investments made into Taxpayer are qualifying investments as defined in section 1.1400Z2(a)–1(b)(34) or whether the Taxpayer meets the requirements under section 1400Z-2 and the regulations thereunder to be a QOF. We express no opinion on whether any interest in any entity owned by Taxpayer qualifies as QOZ property, as defined in section 1400Z-2(d)(2), or whether such entity would be treated as a QOZ business, as defined in section 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 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.

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 the Taxpayer's authorized representatives.

A copy of this letter must be attached to any income 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.

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Sincerely,

Alina N. Lewandowski
Assistant to the Branch Chief, Branch 5
Office of Associate Chief Counsel
(Income Tax and Accounting)

cc: