Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

Refer Reply To:
CC:ITA:B07
PLR-111411-25

Date:
November 14, 2025

Re: Request for Extension of Time to Make the § 168(k)(7) Election

Legend

Taxpayer =

Firm =
Taxable Year =
Date1 =
Date2 =
Date3 =
Date4 =

Dear :

This letter refers to a letter dated May 19, 2025, submitted on behalf of Taxpayer by Taxpayer's authorized representative, requesting an extension of time pursuant to §§ 301.9100 and 301.9100-3 of the Procedure and Administration Regulations to make the election not to deduct the additional first year depreciation under § 168(k) of the Internal Revenue Code (Code) for all classes of qualified property placed in service by Taxpayer during the Taxable Year.

All references in this letter ruling to § 168(k) are treated as a reference to § 168(k) as in effect after amendment by Public Law 115-97, 131 Stat. 2054 (Dec. 22, 2017), commonly known as the Tax Cuts and Jobs Act (TCJA), and prior to amendment by Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA).

FACTS

Taxpayer represents that the facts are as follows:

Taxpayer, a limited liability company, files a Form 1065, *U.S. Return of Partnership Income*, on a calendar-year basis. Taxpayer's overall method of accounting is an accrual method.

Taxpayer engaged Firm to prepare and file its federal income tax return for the Taxable Year. Between Date1 and Date2, Taxpayer's team provided Firm with draft financial models to use in preparing Taxpayer's federal income tax return for the Taxable Year, and Firm provided Taxpayer's team with draft federal income tax returns for the Taxable Year based on these draft financial models. The draft financial models and draft federal income tax returns reflected an election not to deduct additional first year depreciation for all classes of property that are qualified property and that were placed in service by Taxpayer during the Taxable Year.

On Date2, Firm provided Taxpayer with a final draft federal income tax return, consistent with an election not to claim the additional first year depreciation deduction under § 168(k) for all classes of property placed in service in the Taxable Year.

On Date3, Taxpayer's Form 1065 was timely filed. However, Firm personnel inadvertently failed to attach the required election statement to the Form 1065.

On Date4, an employee of Taxpayer discovered Firm's error and notified Firm. Firm then advised Taxpayer to file this request to obtain an extension of time pursuant to §§ 301.9100-1 and 301.9100-3 to make the election not to deduct additional first year depreciation.

RULING REQUESTED

Accordingly, Taxpayer requests an extension of time pursuant to §§ 301.9100-1 and 301.9100-3 to make the election under § 168(k)(7) not to deduct the additional first year depreciation for all classes of qualified property that were placed in service by Taxpayer during the Taxable Year.

LAW

Section 168(k)(1) allows, for the taxable year that qualified property is placed in service, an additional first year depreciation deduction equal to the applicable percentage of the adjusted basis of that qualified property.

Section 168(k)(6) provides the applicable percentages for qualified property acquired by a taxpayer after September 27, 2017. Each applicable percentage depends on the date that such qualified property is placed in service by the taxpayer.

Section 168(k)(7) allows a taxpayer to elect out of additional first year depreciation for any class of property placed in service during the taxable year.

For property acquired after September 27, 2017, § 1.168(k)-2(f)(1) of the Income Tax Regulations provides the rules for making the § 168(k)(7) election. Pursuant to § 1.168(k)-2(f)(1)(i), the § 168(k)(7) election applies to all qualified property that is in the same class of property and placed in service in the same taxable year.

Section 1.168(k)-2(f)(1)(ii) defines the term “class of property” as meaning, among other things, each class of property described in § 168(e) (for example, 5-year property).

Section 1.168(k)-2(f)(1)(iii) provides the time and manner of making the § 168(k)(7) election.

Section 1.168(k)-2(f)(1)(iii)(A) provides that the election not to deduct the additional first year depreciation must be made by the due date, including extensions, of the Federal tax return for the taxable year in which the qualified property is placed in service by the taxpayer.

Section 1.168(k)-2(f)(1)(iii)(B) provides that the election not to deduct the additional first year depreciation must be made in the manner prescribed on Form 4562, “Depreciation and Amortization,” and its instructions. The instructions to Form 4562 for the Taxable Year provide that the election not to deduct the additional first year depreciation is made by attaching a statement to the taxpayer's timely-filed tax return indicating that the taxpayer is electing not to deduct the additional first year depreciation and the class of property for which the taxpayer is making the election.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner of Internal Revenue will use to determine whether to grant an extension of time to make a regulatory election. Under § 301.9100-1(a), the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory 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(b) provides that the term “regulatory election” includes an election whose due date is prescribed by a regulation published in the Federal Register, a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Section 301.9100-3(a) provides that requests for relief under § 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 granting relief will not prejudice the interests of the Government.

CONCLUSION

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, Taxpayer is granted an extension of 60 calendar days from the date of this letter ruling to make the election under § 168(k)(7) not to deduct the additional first year depreciation deduction under § 168(k) for all classes of property that are qualified property and that were placed in service by Taxpayer in the Taxable Year. This election must be made by Taxpayer filing an amended federal income tax return for the Taxable Year, with a statement indicating that Taxpayer is electing not to deduct the additional first year depreciation for all classes of property that are qualified property placed in service by Taxpayer in Taxable Year.

A copy of this letter should be attached to the amended Form 1065. A taxpayer filing its federal return electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Except as specifically set forth above, no opinion is expressed or implied concerning the federal income tax consequences of the facts described above under any other provisions of the Code (including other subsections of § 168). Specifically, no opinion is expressed or implied on whether: (1) any item of depreciable property placed in service by Taxpayer in the Taxable Year is eligible for the additional first year depreciation deduction under § 168(k) or (2) Taxpayer's classification of any item of depreciable property under § 168(e) or Rev. Proc. 87-56, 1987-2 C.B. 674, is correct.

The ruling contained in this letter is based upon 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 request for rulings, 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. We are also sending a copy of this letter to the appropriate operating division director.

Sincerely,

Charles J. Magee
Senior Counsel, Branch 7
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: