

Internal Revenue Service

Department of the Treasury
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Person To Contact:

, ID No.

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Refer Reply To:

CC:ITA:B08

PLR-110147-25

Date:

November 24, 2025

LEGEND

Taxpayer =

State 1 =

State 2 =

Manager =

Employee =

Accountant =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Month =

Year 1 =

Dear :

This letter responds to Taxpayer's request for a letter ruling dated Date 1. Taxpayer requests relief under §§ 301.9100-1 and 301.9100-3¹ for an extension of time to self-certify as a qualified opportunity fund (QOF), as defined in section 1400Z-2(d), effective as of Month, the first month in which Taxpayer intended to be a QOF.

FACTS

According to the information and representations provided, Taxpayer, a limited liability company classified as a partnership for federal income tax purposes, was organized under the laws of State 1 on Date 2, and reorganized under the laws of State 3 on Date 3. The business purpose of Taxpayer, as provided in its operating agreement, is to operate as a QOF and investing in, acquiring, owning, developing, operating and holding ownership interests in projects within opportunity zones. Taxpayer's annual accounting period is the calendar year and uses the cash method of accounting.

Manager is a real estate developer who formed Taxpayer. Taxpayer represents that Manager does not have training in law or accounting and regularly employs the services of attorneys and CPAs. Employee is employed by one of Manager's entities that is not the Taxpayer. Taxpayer represents that Employee is the person who, on behalf of Manager, communicates with outside counsel and accountants with respect to entity formation and tax return preparation. Taxpayer represents that Employee does not regularly prepare tax returns.

Taxpayer represents that Accountant is the certified public accountant with whom Manager contracted to assist in forming entities and preparing their tax returns, including Taxpayer. Taxpayer represents that Accountant was aware that the intent in forming Taxpayer was for Taxpayer to qualify as a QOF.

Taxpayer represents that on Date 4, Employee notified Accountant that Accountant should include Taxpayer with the other tax filing extension applications that Accountant would be filing on behalf of Manager and his entities. Taxpayer represents that Accountant responded via email on the same day that Accountant needed additional information to do so but sent the response to an old e-mail address. Employee represents that Employee did not see Accountant's email. Taxpayer represents that Accountant filed extensions for Manager's other entities, but not for Taxpayer.

Taxpayer represents that on Date 5, after the deadline to file Taxpayer's return for Year 1, Employee notified Accountant that Taxpayer's information was ready for Accountant

¹ 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).

to prepare the Year 1 return but learned that Accountant had never filed an extension. Taxpayer represents that Accountant did not provide an explanation for not following up on Accountant's email on Date 4. Taxpayer represents that Accountant filed Taxpayer's return for Year 1, which included Form 8996, on Date 6.

Taxpayer represents that the interests of the Government will not be prejudiced by granting relief as it will not result in Taxpayer having a lower tax liability in the aggregate for all taxable years affected by the election than Taxpayer would have had if the election had been timely made.

LAW

Section 1400Z-2(e)(4)(A) directs the Secretary to prescribe regulations for rules for the certification of QOFs. Section 1.1400Z2(d)-1(a)(2)(i) of the 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 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) of the regulations 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 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) of the regulations 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

The information and representations provided indicates that Taxpayer did not timely file its Form 8996 by the due date of its income tax return for Year 1 due to Taxpayer's reasonable reliance on Accountant and Accountant's failure to timely file a Form 8996 on behalf of Taxpayer. Based on the facts and information submitted, including the affidavits and representations made under penalties of perjury, 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. Consequently, the Form 8996 attached to Taxpayer's return for Year 1, filed on Date 6, is considered timely filed, and Taxpayer has thereby made the election under section 1400Z-2 and § 1.1400Z2(d)-1(a)(2)(i) to self-certify as a QOF for Year 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 1 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 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 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 § 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. Furthermore, we also express no opinion on whether any interest owned by Taxpayer qualifies as qualified opportunity zone property, as defined in section 1400Z(d)(2), or whether such interest would be treated as a qualified opportunity zone 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) 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 section 6110.

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. 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).

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 representatives.

Sincerely,

Dominic D. DiMattia
Assistant to the Branch Chief, Branch 8
Office of Associate Chief Counsel
(Income Tax and Accounting)

cc: