

**Internal Revenue Service**

Department of the Treasury  
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Person To Contact:  
, ID No.

Telephone Number:

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PLR-113056-25

Date:  
January 08, 2026

LEGEND

X =

Sub =

State A =

State B =

Date 1 =

Date 2 =

Date 3 =

Dear :

This letter responds to a letter dated March 10, 2025, and subsequent correspondence, 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 to treat Sub as a qualified subchapter S subsidiary (QSub) under § 1361(b)(3) of the Internal Revenue Code (Code).

## FACTS

The information submitted states that Sub, a State A limited liability company, was formed on Date 1 and elected to be an S corporation effective Date 2. On Date 3, X was incorporated under the laws of State B, and elected to be an S corporation effective Date 3. Also on Date 3, incident to what X represents was part of a reorganization under § 368(a)(1)(F), Sub's sole shareholder contributed all of the stock in Sub to X, thereby causing Sub to become a wholly owned subsidiary of X.

X represents that it intended to elect to treat Sub as a QSub effective Date 3. However, X inadvertently failed to timely file Form 8869, Qualified Subchapter S Subsidiary Election, for Sub effective Date 3.

X represents that its failure to make a timely QSub election for Sub was inadvertent and not the result of tax avoidance or retroactive tax planning. Further, X represents that all tax returns since Date 3 were filed consistent with Sub being treated as a QSub effective Date 3.

## LAW AND ANALYSIS

Section 1361(b)(3)(A) of the Internal Revenue Code provides that a QSub shall not be treated as a separate corporation, and all assets, liabilities, and items of income, deduction, and credit of a QSub shall be treated as assets, liabilities, and such items (as the case may be) of the S corporation.

Section 1361(b)(3)(B) defines a QSub as a domestic corporation which is not an ineligible corporation as defined in § 1361(b)(2), if 100 percent of the stock of the corporation is held by an S corporation, and the S corporation elects to treat the corporation as a QSub.

Section 1.1361-3(a) of the Income Tax Regulations provides the time and manner of making a QSub election. Section 1.1361-3(a)(2) provides that an S corporation makes a QSub election with respect to a subsidiary by filing a Form 8869 with the appropriate service center. Section 1.1361-3(a)(4) provides that a QSub election cannot be effective more than two months and 15 days prior to the date the election is filed or not more than 12 months after the election is filed.

Section 1.1361-3(a)(6) provides that an extension of time to make a QSub election may be available under the procedures applicable under §§ 301.9100-1 and 301.9100-3.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election, or a statutory election (but not 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 301.9100-2 provides the rules governing 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 301.9100-3(a) provides that requests for relief subject to § 301.9100-3 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 facts submitted and representations made, we conclude that X has satisfied the requirements of §§ 301.9100-1 and 301.9100-3. As a result, we grant X an extension of time of 120 days from the date of this letter to file a Form 8869 with the appropriate service center to elect to treat Sub as a QSub effective Date 3. A copy of this letter should be attached to Form 8869.

Except as expressly provided herein, we express or imply no opinion concerning the federal tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express or imply no opinion as to whether X is a valid S corporation, whether Sub was a valid S corporation or QSub, whether Sub is eligible to be a QSub, or the validity of the reorganization under § 368(a)(1)(F) or its tax consequences.

The ruling contained in this letter is based upon information and representations submitted by X 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 requested ruling, 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.

Pursuant to a power of attorney on file with this office, we are sending a copy of this letter to X's 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: