

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **202614022**
Release Date: 4/3/2026

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 9100.00-00, 1400Z.02-00

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:ITA:5
PLR-115228-25

Date:
January 13, 2026

Legend

- Taxpayer =
- Partner 1 =
- Partner 2 =
- Trust =

- State =
- Advisor =
- Firm 1 =
- Firm 2 =
- Firm 3 =
- Date 1 =
- Date 2 =
- Date 3 =
- Date 4 =
- Year 1 =
- Year 2 =
- Year 3 =
- Year 4 =
- \$A =

Dear :

This ruling responds to Taxpayer’s request for a letter ruling dated Date 1. Specifically, Taxpayer requests an extension of time under §§ 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 § 1.1400Z2(d)-1(a) of the Income Tax Regulations effective as of Date 2.

FACTS

Taxpayer has represented that the facts are as follows:

Taxpayer is a limited liability company organized under the laws of State on Date 2. Taxpayer is treated as a partnership for U.S. federal income tax purposes. Taxpayer uses the cash method of accounting and the calendar year as its taxable year.

Taxpayer was formed for the purpose of investing in Qualified Opportunity Zone Property and operating as a QOF as defined in § 1400Z-2(d)(1). On Date 3, Partner 1 and Partner 2 (collectively, "Individuals") contributed \$A to Taxpayer.

Individuals engaged Firm 1 to prepare their individual income tax return for Year 1, Year 2 and Year 3. Partner 1 advised Firm 1 that Individuals deferred capital gains and, on Date 2, invested them in Taxpayer, an entity intended to be a QOF. Partner 1 also provided Firm 1 with annual reports of Taxpayer's activities. On Date 4, Individuals contributed their respective interests in Taxpayer to Trust. Individuals reported Trust as a grantor trust for federal tax purposes.

For Year 1, Year 2 and Year 3, Firm 1 prepared Individuals' Forms 1040, including Forms 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*, reporting their annual investments in Taxpayer. Advisor, a managing director of Firm 1, did not inform Partner 1 that Taxpayer was required to file Form 1065, *U.S. Partnership Income Tax Return*, for Year 1, Year 2 and Year 3, or Form 8996, *Qualified Opportunity Fund*, to self-certify as a QOF. Individuals believed that Firm 1 was qualified to inform them and Taxpayer of the forms required to be filed with the Service in order for Taxpayer to be a QOF for Year 1, and Taxpayer relied on upon Firm 1 to prepare all of the required forms for such purposes. Accordingly, Taxpayer was unaware of the need to file a timely Form 1065 with an attached Form 8996 for Year 1 in order to self-certify as a QOF as of Date 2.

Firm 2 was engaged to file Individuals' federal income tax return for Year 4. As part of Firm 2'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 3 to file a private letter ruling request. Taxpayer then filed this ruling request seeking an extension of time to file Taxpayer's Year 1 Form 8996, pursuant to §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations. Concurrently, Taxpayer filed its Forms 1065 with attached Forms 8996 for Year 1, Year 2, Year 3, and Year 4.

Taxpayer represents that it has not received any correspondence from the Service as to its failure to timely file Forms 1065 or 8996. Taxpayer further represents that the granting of relief under § 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).

Because § 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 § 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 § 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 § 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, § 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 § 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. Consequently, the Form 8996 attached to Taxpayer's return Year 1, filed on or about Date 1, 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, effective Date 2. 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 2 return.

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 § 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). In addition, we express or imply no opinion on whether Taxpayer is a partnership for federal income tax purposes or whether a grantor or other person is treated as owning any portion of trust under §§ 671 through 679 of the Code (a grantor trust).

Further, we express no opinion on whether any interest owned in any entity by Taxpayer qualifies as qualified opportunity zone property, as defined in section 1400Z-2(d)(2), or whether such entity 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) 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.

Sincerely,

Christina M. Glendening
Senior Counsel, Branch 5
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: