

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PT&E:B03

PLR-114741-25

Date:

March 02, 2026

Legend

X =

Y =

Z =

DE =

PRS =

State =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Dear _____ :

This letter responds to a letter dated August 12, 2025 submitted on behalf of X by its authorized representatives, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file an election under § 301.7701-3 to be classified as an entity disregarded as separate from its owner for federal tax purposes.

FACTS

Based on the information submitted, X was formed as a State 1 limited liability company on Date 1. At the time of its formation, X was a disregarded entity owned by Y, a State 2 corporation that elected to be taxed as a real estate investment trust (REIT) for federal tax purposes.

X filed Form 8832, Entity Classification Election, to be treated as an association taxable as a corporation, effective Date 2. As a result of this election, X became a Qualified REIT Subsidiary (QRS) of Y within the meaning of § 856(i) of the Internal Revenue Code (Code).

On Date 3, Y sold all the interests in X to DE, a disregarded entity owned by Z, a State 2 corporation that elected to be taxed as a REIT for federal tax purposes. As a result, X became a QRS of Z as of Date 3.

DE formed PRS, which became a partnership for federal tax purposes on Date 4. On Date 6, DE contributed all the interests in X to PRS, thereby terminating X's status as a QRS. As a result, X ceased to be a QRS effective Date 6.

X represents that it intended to file an election to be treated as a disregarded entity effective Date 5. However, X failed to timely file Form 8832 electing to be treated as a disregarded entity for federal tax purposes effective Date 5.

X represents that it acted reasonably and in good faith and that the requested relief will not prejudice the interests of the government. Further, X represents that its activities were reported consistently for federal tax purposes with the requested relief.

LAW AND ANALYSIS

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes as provided in § 301.7701-3. An eligible entity with a single owner can elect to be classified as an association (and thus a corporation under § 301.7701-2(b)(2)) or to be disregarded as an entity separate from its owner.

Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b), or to change its classification, by filing Form 8832 with the service center designated on Form 8832.

Section 301.7701-3(c)(1)(iii) provides that an election made under § 301.7701-3(c)(1)(i) will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified on the election form. The effective date specified on Form 8832 cannot be more than 75 days prior to the date on which the election is filed and cannot be more than 12 months after the date on which the election is filed.

Section 301.7701-3(g)(1)(iii) provides that if an eligible entity classified as an association elects to be disregarded as an entity separate from its owner, the association is deemed to distribute all of its assets and liabilities to its single owner in liquidation of the association.

Section 301.7701-3(g)(3)(i) provides that an election under § 301.7701-3(c)(1)(i) that changes the classification of an eligible entity for federal tax purposes is treated as occurring at the start of the day for which the election is effective. Any transactions that are deemed to occur under § 301.7701-3(g) as a result of the change in classification are treated as occurring immediately before the close of the day before the election is effective.

Section 301.9100-1(c) provides that the Commissioner in exercising the Commissioner's discretion 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 Internal Revenue Code (Code), except subtitles E, G, H, and I.

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.

Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides rules for requesting extensions of time for regulatory 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 the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

CONCLUSION

Based solely on the facts submitted and the representations made, we conclude that X has satisfied the requirements of §§ 301.9100-1 and 301.9100-3. As a result, X

is granted an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be disregarded as an entity separate from its owner for federal tax purposes effective Date 5. A copy of this letter should be attached to X's Form 8832.

This ruling is contingent on X and its owner filing, within 120 days from the date of this letter, all required federal income tax returns and information returns (including amended returns) for all open years consistent with the requested relief granted in this letter.

Except as specifically provided herein, we express or imply no opinion concerning the federal tax consequences of any transaction or item discussed or referenced in this letter. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that the taxpayer is otherwise eligible to make the election.

Further, we express or imply no opinion concerning the assessment of any interest, additions to tax, additional amounts, or penalties for failure to file a timely income tax or information return with respect to any taxable year that may be affected by this ruling. For example, we express or imply no opinion as to whether a taxpayer is entitled to relief from any penalty on the basis that the taxpayer had reasonable cause for failure to file timely any income tax or information returns.

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 information 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 the 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)

Elizabeth V. Zanet

By:

Elizabeth V. Zanet
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure:

Copy of this letter for § 6110 purposes

cc: