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:
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Refer Reply To:
CC:FIP:B01
PLR-119824-25
Date:
April 09, 2026

LEGEND:

Taxpayer =

State 1 =

State 2 =

Accounting Firm =

Date 1 =

Year 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Date 7 =

Country =

Dear :

This ruling responds to a letter dated November 14, 2025, and supplemental correspondence, submitted on behalf of Taxpayer. Taxpayer requests an extension of time under sections 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to make an election under section 856(c) of the Internal Revenue Code (the "Code") to be treated as a real estate investment trust ("REIT") effective as of Date 1.

FACTS

Taxpayer is a State 1 corporation that was formed on Date 1. Taxpayer is engaged in the business of real estate ownership and investment. Taxpayer represents that it was incorporated with the intent to be a REIT, which is evident from its articles of incorporation, bylaws, governance materials, investor communications, and public statements. From inception, Taxpayer has represented itself as a REIT to shareholders, advisors, and the business community.

Taxpayer had an initial tax year of Date 1 to Date 2. Taxpayer intended to make an election under section 856(c)(1) to be treated as a REIT on its Year 1 Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts* (the "Initial Return").

Taxpayer engaged Accounting Firm to prepare its Initial Return, including all relevant forms and statements. Accounting Firm prepared Taxpayer's Initial Return consistent with its treatment as a REIT. Accounting Firm was instructed to mail the Initial Return to Taxpayer's corporate office in State 2. Taxpayer confirmed receipt of the Initial Return on Date 3.

Taxpayer's Chief Financial Officer (the "CFO") worked remotely from outside of State 2, which reduced day-to-day oversight of the in-office signature process. Sometime after Date 3, but before Date 4, the CFO instructed Taxpayer's Controller (the "Controller") to obtain Taxpayer's Chief Executive Officer's (the "CEO") signature on and submit for filing the Initial Return. Under Taxpayer's normal practice, the Controller hand delivered documents to the CEO or placed them in the CEO's physical inbox. The Controller followed this protocol and placed the Initial Return in the CEO's inbox. CEO was in State 2 at the time the Controller placed the Initial Return in the inbox, but on Date 5 the CEO returned to Country, where the CEO was principally living at the time, without signing and mailing the Initial Return. Taxpayer attributes the failure to sign and mail the Initial Return to competing priorities that required the CEO's attention, including the demands of a capital campaign to raise funds for Taxpayer's planned acquisitions.

On Date 6, Taxpayer discovered that the Initial Return was not filed during a follow-up call with Accounting Firm. Following the discovery that the Initial Return was

not filed, Accounting Firm advised Taxpayer to submit a request for an extension of time to make an election under section 856(c) to be treated as a REIT. The Initial Return was filed on Date 7. The Initial return was prepared as if a valid REIT election had been made.

REPRESENTATIONS

Taxpayer makes the following additional representations in connection with this request for an extension of time:

1. Taxpayer filed the request for relief before the failure to timely make the election was discovered by the Service.

2. Granting this request for relief will not result in Taxpayer having a lower U.S. federal tax liability in the aggregate for all years to which the regulatory election applies than if Taxpayer had timely made the election (taking into account the time value of money).

3. Taxpayer does not seek to alter a return position for which an accuracy-related penalty has been or could have been imposed under section 6662 at the time Taxpayer requested relief and the new position requires or permits a regulatory election for which relief is requested.

4. Being fully informed of the required regulatory election and related tax consequences, Taxpayer did not choose to not file the election.

5. Taxpayer is not using hindsight in requesting this relief. No specific facts have changed since the due date for making the election that makes this election advantageous to Taxpayer.

6. The period of limitations on assessment under section 6501(a) has not expired for Taxpayer for the taxable year for which the election should have been made, nor for any taxable year(s) that would have been affected by the election had it been timely made.

In addition, affidavits on behalf of Taxpayer have been provided as required by section 301.9100-3(e)(2) and (3).

LAW AND ANALYSIS

Section 856(c)(1) provides that a corporation, trust, or association shall not be considered a REIT for any taxable year unless it files with its return for the taxable year an election to be a REIT or has made such an election for a previous taxable year, and such election has not been terminated or revoked. Pursuant to section 1.856-2(b) of the Income Tax Regulations, the election shall be made by the trust by computing taxable

income as a REIT in its return for the first taxable year for which it desires the election to apply.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six 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 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation, or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Section 301.9100-3(a) through (c)(1) sets forth rules that the Service will use to determine whether, under the particular facts and circumstances of each situation, the Commissioner will grant an extension of time for regulatory elections that do not meet the requirements of section 301.9100-2. Section 301.9100-3(a) provides that requests for relief subject to section 301.9100-3 will be granted when the taxpayer provides the evidence (including affidavits described in section 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.

Section 301.9100-3(b) provides that a taxpayer generally is deemed to have acted reasonably and good faith if the taxpayer (i) requests relief under section 301.9100-3 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 (taking into account the taxpayer's experience and the complexity of the return or issue), 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, including a tax professional employed by the taxpayer, and the tax professional failed to make, or advise the taxpayer to make, the election. A taxpayer will be deemed to have not acted reasonably and in good faith, however, 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 informed in all material respects of the required election and related tax consequences, but chose not to file the election; or (iii) uses hindsight in requesting relief. If specific facts have changed since the due date for making the election that make the election more advantageous to the taxpayer, the Service will not ordinarily grant relief. In such case the Service will grant relief only when the taxpayer provides strong proof that the taxpayer’s decision to seek relief did not involve hindsight.

Section 301.9100-3(c)(1) provides that a reasonable extension of time to make a regulatory election will be granted 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 the 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)(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 years 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 section 301.9100-3.

CONCLUSION

Based on the information submitted and representations made, we conclude that Taxpayer has satisfied the requirements for granting a reasonable extension of time to elect under section 856(c) to be treated as a REIT effective Date 1. Accordingly, due to the reasonable extension of time granted to Taxpayer, Taxpayer's Form 1120-REIT filed on Date 7 is considered a timely election under section 856(c) for Taxpayer to be treated as a REIT under subchapter M of the Code effective as of Date 1.

This ruling is limited to the timeliness of the filing of Taxpayer's election under section 856(c). This ruling's application is limited to the facts, representations, and Code and regulation sections cited herein. Except as 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. In particular, no opinion is expressed regarding the timeliness of Taxpayer's federal income tax return. Furthermore, no opinion is expressed or implied regarding whether Taxpayer otherwise qualifies as a REIT under part II of subchapter M of chapter 1 of the Code.

The ruling contained in this letter is based upon information submitted and representations made by Taxpayer and accompanied by penalties of perjury statements executed by the appropriate party. While this office has not verified any of the material submitted in support of the request for a ruling, it is subject to verification on examination.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) 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.

Sincerely,

____

Vanessa Mekpong
Senior Technician Reviewer, Branch 1
Office of Associate Chief Counsel
(Financial Institutions & Products)

cc: