Internal Revenue Service

Number: **202629003**
Release Date: 7/17/2026

Index Number: 9100.00-00, 1445.04-01

Department of the Treasury
Washington, DC 20224

[Third Party Communication:
Date of Communication: Month DD, YYYY]

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:BR 4
PLR-115112-25

Date:
April 13, 2026

TY:

Legend

Taxpayer	=
Country 1	=
Domestic Subsidiary	=
Country 1 Subsidiary	=
Acquiror	=
City 1	=
Tax Advisors	=
Individual A	=
Date 1	=
Date 2	=
State 1	=

Dear :

This is in response to letters dated July 18, 2025 and March 18, 2026 submitted on behalf of Taxpayer and Country 1 Subsidiary by an authorized representative requesting a ruling under Treas. Reg. § 301.9100-3 for an extension of time to request withholding certificates from the Internal Revenue Service by filing Forms 8288-B.

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

FACTS

Prior to Date 1, Taxpayer, a Country 1 publicly traded corporation, directly owned 50% of the shares of Domestic Subsidiary, a domestic corporation which was a United States real property holding corporation as defined in section 897(c)(2). Country 1 Subsidiary, a Country 1 corporation wholly owned by Taxpayer, owned the remaining 50% of the shares of Domestic Subsidiary. On Date 1 and Date 2 respectively, Taxpayer and Country 1 Subsidiary ("Taxpayers") each sold all of their shares of Domestic Subsidiary to Acquiror, a wholly owned domestic subsidiary of Taxpayer, for cash in the amount of the fair market value of the Domestic Subsidiary shares. As part of the same plan, Domestic Subsidiary then converted to a State 1 limited liability company. Taxpayer took the position that the sale of the shares and the conversion of Domestic Subsidiary were, together, characterized as a reorganization described in section 368(a)(1)(D) ("Reorganization").

Taxpayer and Country 1 Subsidiary both realized losses on the disposition of their shares in Domestic Subsidiary pursuant to the Reorganization. As a result, Taxpayers believed that they were eligible to apply for a certificate to exempt them from withholding by filing Forms 8288-B.

Prior to Date 1, Taxpayer's tax personnel consisted of one senior manager and one staff member. The tax personnel were located in City 1, a major city in Country 1, and had limited experience regarding U.S. federal income tax, and no experience regarding sections 897 and 1445 prior to discussions relating to the transaction.

To assist with the U.S. federal income tax analysis of the sale of Domestic Subsidiary, Taxpayer engaged Tax Advisors. Due to misunderstandings between Taxpayers and the Tax Advisors, completed Forms 8288-B were not timely filed. The specific facts that led to the failure to timely file Form 8288-B are detailed in the affidavit of Individual A, the General Manager of Taxpayer. Accordingly, Taxpayers are applying for an extension of time under Treas. Reg. § 301.9100-3 to request withholding certificates by filing Forms 8288-B.

RULING REQUESTED

Taxpayers request that an extension of time be granted under Treas. Reg. § 301.9100-3 for Taxpayers to request withholding certificates from the Internal Revenue Service on the disposition of their shares of Domestic Subsidiary pursuant to the Reorganization by filing Forms 8288-B.

LAW

Section 1445(a) provides that except as otherwise provided in section 1445, in the case of any disposition of a United States real property interest by a foreign person, the transferee shall be required to deduct and withhold a tax equal to 15 percent of the amount realized on the disposition. Section 1445(c)(1)(A) provides that the amount required to be withheld with respect to any disposition shall not exceed the transferor's maximum tax liability.

Treas. Reg. § 1.1445-3 provides rules intended to fulfill the requirements of section 1445(c), pursuant to which withholding under section 1445(a) may be reduced or eliminated upon the issuance of a withholding certificate by the Internal Revenue Service.

Treas. Reg. § 1.1445-3(a) provides that a withholding certificate that is obtained prior to a transfer notifies the transferee that no withholding is required.

Treas. Reg. § 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-3(a) provides that requests for relief will be granted when the taxpayer provides the evidence (including affidavits described in Treas. Reg. § 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.

Treas. Reg. § 301.9100-3(b)(1)(v) provides that unless the taxpayer is deemed to have not acted reasonably and in good faith under Treas. Reg. § 301.9100-3(b)(3), a taxpayer is deemed to have acted reasonably and in good faith if it reasonably relied on a qualified tax professional, and the tax professional failed to make, or advise the taxpayer to make, the election.

CONCLUSION

Based on the information submitted and representations made with Taxpayers' ruling request, we conclude that Taxpayers satisfy the requirements of Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayers are granted extensions of time until 30 days from the date of this ruling letter to request from the Internal Revenue Service withholding certificates described in Treas. Reg. § 1.1445-3 for the dispositions of their shares of Domestic Subsidiary pursuant to the Reorganization.

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, an extension of time to submit an application for a withholding certificate is not itself a determination that Taxpayers are eligible to receive withholding certificates.

This ruling is directed only to the taxpayers requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any request for a withholding certificate submitted to the Internal Revenue Service and to any other subsequent relevant forms or returns to which it is relevant.

In accordance with the Power of Attorney on file with this office, a copy of this letter ruling is being sent to your authorized representative.

Sincerely,

/s/

Kenneth A. Jeruchim
Senior Technical Reviewer, Branch 4
Associate Chief Counsel (International)

cc: