Internal Revenue Service

Number: **202629005**
Release Date: 7/17/2026

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

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:ITA:B01
PLR-116522-25

Date:
April 20, 2026

Legend:

Taxpayer	=
Date 1	=
Date 2	=
Date 3	=
Date 4	=
Date 5	=
Date 6	=
Date 7	=
Date 8	=
Month 1	=
Year 1	=
Year 2	=
Year 3	=
Year 4	=
State	=
Managing Member	=
Partner	=
Tax Manager	=
Senior Manager	=
Accounting Firm 1	=
Corporation 1	=
X	=

Dear :

This letter responds to Taxpayer's request for a ruling dated Date 1. Specifically, Taxpayer requests relief under §§ 301.9100-1 through 301.9100-3 of the Procedure and

Administration Regulations, granting an extension of time to make an election under § 1.1400Z2(d)-1(a)(2)(i) of the Income Tax Regulations to self-certify as a Qualified Opportunity Fund (QOF), as defined in § 1400Z-2(d) of the Internal Revenue Code (Code). The election would be effective as of Date 2 for Taxpayer's initial tax year ending on Date 3.

FACTS

Taxpayer's submission includes documents and the affidavits of individuals having knowledge of Taxpayer's affairs and tax matters. Taxpayer represents the facts as follows:

Taxpayer is a limited liability company formed pursuant to the laws of State. Taxpayer is treated as a partnership for federal income tax purposes. Taxpayer uses the accrual method of accounting and reports income on a calendar year basis. Taxpayer is managed by Managing Member and has X number of non-managing members (collectively "member-owners").

Taxpayer was formed during Year 1 for the purpose of investing in qualified opportunity zone property as defined in § 1400Z-2(d)(2). A copy of Taxpayer's limited liability company agreement reflects that the member-owners of the Taxpayer intended for Taxpayer to qualify as a qualified opportunity fund, within the meaning of § 1400Z-2(d)(1) and the Code's requirements pertaining to qualified opportunity funds, by investing and holding equity interests in one or more qualified opportunity zone businesses within the meaning of § 1400Z-2(d)(3).

In early Year 2, Accounting Firm 1 was engaged to prepare the federal partnership returns for various entities related to investments in which the member-owners had controlling interests, including Taxpayer's Form 1065, *U.S. Return of Partnership Income*, for Year 1, Year 2, and Year 3. Partner, a member of Accounting Firm 1, managed and reviewed the work of the professionals at Accounting Firm 1 who were responsible for the tax return preparation services provided to Taxpayer. He was primarily responsible for the work product and deliverables (relevant returns and forms) that were prepared for Taxpayer by the professionals from Accounting Firm 1.

During the return preparation, Accounting Firm 1 requested and Taxpayer provided to Accounting Firm 1 all information relevant to prepare a Form 1065 for Year 1, including a copy of Taxpayer's Limited Liability Company Agreement reflecting that Taxpayer was formed for purpose of investing in qualified opportunity zone property. Members of Accounting Firm 1 internally discussed completing and attaching Form 8996, *Qualified Opportunity Fund*, to Taxpayer's Form 1065 for Year 1 as needed for Taxpayer to elect to self-certify as a QOF.

Due to inadvertent oversight of personnel from Accounting Firm 1, the firm failed to prepare or attach Form 8996 to the Taxpayer's initial Form 1065 for Year 1. Accounting

Firm 1’s oversight was caused by a sudden and unusual turnover in personnel that included multiple core members of the firm’s tax preparation team, resulting in a strain on resources. Accounting Firm 1 experienced the loss of personnel at a time relatively close to the due date for filing Taxpayer’s Year 1 Form 1065. Accounting Firm 1 also failed to complete or attach Form 8996 to the Form 1065 of Taxpayer for Year 2. For Year 3, Accounting Firm 1 completed and attached Form 8996 to the return but incorrectly indicated that the first month in which the entity elected to be a QOF was in Year 3.

During Month 1, Year 4, while engaging in a comprehensive review of the Taxpayer’s prior year returns, Tax Manager, who served as the tax manager of Corporation 1 and Taxpayer’s new tax manager, discovered that various Forms 1065 of the Taxpayer did not include Form 8996 or included a Form 8996 that was incorrectly prepared. On Date 4, upon discovering that Taxpayer's initial election self-certifying as a QOF for Year 1 had not been filed, Tax Manager contacted Senior Manager at Accounting Firm 1 and communicated the discoveries. Subsequently, Senior Manager contacted Partner to discuss the oversights involving Taxpayer’s returns and the failures related to Form 8996. Partner then reviewed the Taxpayer’s previously filed returns for Year 1 through Year 3 and confirmed that certain of Taxpayer’s returns failed to include the necessary Forms 8996 and that certain other issues existed with the previously filed Forms 8996.

In the early part of Date 5 Partner discussed the issues affecting the omitted and filed Forms 8996 with Tax Manager and Managing Member. Partner informed them of the effect the filing issues would have on the ability of Taxpayer to self-certify as a QOF. Managing Member then promptly instructed Accounting Firm 1 to prepare and file a request for relief under §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations.

In conjunction with the filing of this ruling request on Date 1, Accounting Firm 1 prepared an administrative adjustment request (AAR) for Year 1 and filed it with the Internal Revenue Service (the Service) on Date 6. Accounting Firm 1 included Taxpayer's Form 8996 with the AAR for Year 1.

Taxpayer requests that the Service rule that the Form 8996 included with Taxpayer’s AAR for Year 1 be deemed timely and consequently, Taxpayer’s self-certification as a QOF be effective as of Date 2.

As of the submission of the ruling request on Date 1, the additional information on Date 7 and Taxpayer’s partial modification of its ruling request on Date 8, Taxpayer has not been contacted or notified by the Service about its failure to make the regulatory election to self-certify as a QOF for Year 1.

LAW AND ANALYSIS

Section 1400Z-2(e)(4)(A) of the Code directs the Secretary to prescribe regulations or 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 an entity electing to be certified as a QOF must do so annually and timely 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, *Qualified Opportunity Fund*, 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). The information provided indicates that Taxpayer did not file its Form 8996 by the due date of its income tax return due to Accounting Firm 1's failure to prepare Form 8996 and attach it to Taxpayer's Year 1 return.

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) 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, or reasonably relied on a qualified tax professional, and the tax professional failed to make, or advise the taxpayer to make, the election. However, a taxpayer is not considered to have reasonably relied on a qualified tax professional if the taxpayer knew or should have known that the professional was not competent to render advice on the regulatory election or was not aware of all relevant facts.

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 § 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 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 § 6501(a) before the taxpayer's receipt of a ruling granting relief under this section.

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 AAR for Year 1, filed Date 6, is considered timely filed, and Taxpayer has thereby made the election under § 1400Z-2 and § 1.1400Z2(d)-1(a)(2) to self-certify as a QOF for Year 1. 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 Form 1065 filed and Taxpayer's AAR for Year 1.

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 Taxpayer meets the requirements under § 1400Z-2 and the regulations thereunder to be a QOF. 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 your authorized representative.

Sincerely,

Gerald Semasek
Senior Technician Reviewer, Branch 5
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: