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:
, ID No.

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Refer Reply To:
CC:ITA:B08
PLR-120459-25

Date:
April 23, 2026

LEGEND

Taxpayer =

Accounting Firm =

State =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Month 1 =

Year 1 =

Year 2 =

Year 3 =

Organization Year =

Dear :

This letter responds to Taxpayer's request for a letter ruling dated Date 1. Taxpayer requests relief under sections 301.9100-1 and 301.9100-3[1] of the Procedure and Administration Regulations for an extension of time to file the original Form 3115, *Application for Change in Accounting Method*, for Year 3. Taxpayer should have filed this Form 3115, pursuant to section 6.03(1)(a)(i) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, on or before Date 2.

FACTS

According to the information and representations provided, Taxpayer, a limited liability company classified as a partnership for federal tax purposes, was formed on Date 3 in State. As part of its operations, Taxpayer leases vehicles from a third-party lessor through either finance leases or operating leases. For Year 1 and Year 2, Taxpayer incorrectly treated certain leased vehicles as owned by Taxpayer and financed through the leases. Taxpayer determined that it should have treated each vehicle as owned by the third-party lessor.

Taxpayer has engaged Accounting Firm to assist in preparing Taxpayer's Form 1065 since Organization Year. Taxpayer engaged Accounting Firm to prepare, and file, the Form 3115 with respect to the treatment of the vehicle leases which had been improperly accounted for. Accounting Firm prepared this Form 3115 for Year 3 using the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2024-23, 2024-23 I.R.B. 1334.

Accounting Firm submitted a copy of the Form 3115 to the Internal Revenue Service in accordance with Rev. Proc. 2015-13 on Date 4. Accounting Firm later filed Taxpayer's Form 1065 on Date 5, after timely filing Form 7004, *Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns*. As a result of the accounting method change for Tax Year 3, the Taxpayer recorded a section 481(a) adjustment and included one-fourth of such adjustment as income on its return for Tax Year 3 to account for the difference between the depreciation and interest expense previously deducted and the lease payments that would have been allowed for Tax Year 1 and Tax Year 2.

In Month 1, Accounting Firm discovered that, through inadvertence, it had failed to upload the original Form 3115 to Taxpayer's timely electronically filed Form 1065. *See* section 6.03(1)(a)(i)(A) of Rev. Proc. 2015-13. Accounting Firm subsequently submitted this request for an extension of time to file Taxpayer's original Form 3115.

[1] Unless otherwise specified, all "section" references are to sections of the Internal Revenue Code (Code) and all "§" references to sections of the Treasury Regulations (26 CFR Part 1) or (26 CFR Part 301).

LAW AND ANALYSIS

Rev. Proc. 2015-13 provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner to change its method of accounting under § 446(e) and the Income Tax Regulations thereunder.

Section 6.03(1)(a)(i) of Rev. Proc. 2015-13 provides that a taxpayer changing an accounting method pursuant to Rev. Proc. 2015-13 must complete and file a Form 3115 in duplicate. The original must be attached to the taxpayer's timely filed (including any extensions) original federal income tax return for the year of change, and a copy (with signature) of the Form 3115 must be filed with the appropriate office of the Internal Revenue Service no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections.

Sections 301.9100-1 through 301.9100-3 provide the standard the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making 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 evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith and that the granting of relief will not prejudice the interests of the Government.

CONCLUSION

The information submitted by Taxpayer demonstrates to the satisfaction of the Commissioner that it had acted reasonably and in good faith, and that granting an extension of time to make the desired regulatory election would not prejudice the interests of the Government. Accordingly, Taxpayer is granted 45 calendar days from the date of this letter to file the original Form 3115 (identical to the duplicate copy already filed with the Service). Please attach a copy of this letter ruling to the amended return.

Except as expressly set forth above, this office neither expresses nor implies any opinion concerning the tax consequences of the facts described above under any other provision of the Code or regulations. Specifically, we have no opinion, either expressed or implied, regarding the accounting method change Taxpayer has attempted to make, including whether it is eligible to be made under the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2024-23, or whether Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make accounting method changes using Rev. Proc. 2015-13.

The ruling contained in this letter ruling is based upon facts and representations submitted by Taxpayer, with accompanying penalty of perjury statements executed by appropriate parties. While this office has not verified any of the material submitted in support of this request for an extension of time to file the regulatory election, all material is subject to verification on examination.

This ruling is directed only to the taxpayer requesting 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 our office, we will send a copy of this letter to Taxpayer's authorized representative.

Sincerely,

Frank W. Dunham III
Senior Counsel, Branch 8
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: