Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

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CC:ITA:B08
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Date:
April 24, 2026

LEGEND

Taxpayer =

Member 1 =

Member 2 =

Accounting Firm 1 =

Accounting Firm 2 =

Company =

State =

Amount 1 =

Amount 2 =

Amount 3 =

Month 1 =

Date 1 =

Date 2 =

Date 3 =

Year 1 =

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 a Form 8996, *Qualified Opportunity Fund*, to self-certify as a qualified opportunity fund, as defined in section 1400Z-2(d) (QOF), effective as of Month 1, the first month in which Taxpayer intended to be a QOF.

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 2 in State for the purpose of investing in qualified opportunity zone property within the meaning of section 1400Z-2(d).

Taxpayer represents that it intended to elect to be a QOF beginning in Month 1. To ensure Taxpayer would be classified as a partnership and qualify as a QOF, Taxpayer accepted capital contributions from Member 1 totaling Amount 1 for Year 1. Taxpayer also accepted capital contributions from Member 2 totaling Amount 2 for Year 1. Following these contributions, Taxpayer made its own contributions to Company totaling Amount 3 for Year 1. Taxpayer represents that Company is a qualified opportunity zone business as defined in section 1400Z-2(d)(3).

Taxpayer approached Accounting Firm 1, who prepared federal and state tax returns for Company, to discuss preparing Taxpayer's Year 1 tax returns. Accounting Firm was aware that Taxpayer was a newly formed QOF and expressed willingness to take Taxpayer as a client. On Date 3, Member 1 reached out to Accounting Firm to inquire about forming a relationship, with the intent that Accounting Firm 1 prepare Taxpayer's Year 1 tax returns. Accounting Firm advised Member 1 to file an extension and reconnect at a later date. Subsequently, Accounting Firm attempted to prepare Company's tax returns for Year 1 and prior years; however, it ran into issues concerning records and financial reliability. As a result, Accounting Firm terminated its relationship with Company, ultimately resulting in Company's tax return not being timely filed.

Taxpayer represents that the termination of Accounting Firm 1 and Company's relationship prevented Taxpayer from engaging Accounting Firm 1 to prepare their Year 1 tax returns. Further, the termination of the relationship prevented Company from issuing a Year 1 Form K-1 to Taxpayer that would allow for the filing of its Year 1 tax returns. As a result, Taxpayer erroneously did not timely file their Year 1 tax returns nor the required Form 8996. Taxpayer and Company later engaged Accounting Firm 2. Company's Year 1 tax returns were filed, and a Form K-1 was provided to Taxpayer. Accounting Firm 2 has prepared Taxpayer's Year 1 tax returns and Taxpayer submitted

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[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).

this private letter ruling pursuant to §§ 301.9100-1 and 301.9100-3 to request relief to make a late election to certify as a QOF.

Taxpayer represents that granting relief under § 301.9100-3 will not result in a lower tax liability for the years affected by the election (taking into account the time value of money).

LAW AND ANALYSIS

Section 1400Z-2(e)(4) directs the Secretary to prescribe such regulations as may be necessary to carry out the purposes of section 1400Z-2, including rules for the certification of QOFs. Section 1.1400Z2(d)-1(a)(2)(i) of the regulations provides that the self-certification of a QOF must be timely-filed and effectuated annually 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. The Form 8996 Instructions published pursuant to these regulations specify that to self-certify as a QOF, a taxpayer must file Form 8996 with its tax return for the year to which the certification applies by the due date of the tax return (including extensions).

Section 301.9100-3(a) of the regulations 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.

Section 301.9100-3(b)(1) of the regulations provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer—

> (i) requests relief 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, the taxpayer was unaware of the necessity for the election;
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> (iv) reasonably relied on the written advice of the Service; or
>
> (v) reasonably relied on a qualified tax professional, and the professional failed to make, or advise the taxpayer to make, the election.

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 fully 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) of the regulations 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) of the regulations 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).

CONCLUSION

The information and representations provided indicate that Taxpayer did not file its Form 8996 by the due date of its federal income tax return for Year 1 because Taxpayer was prevented by events outside its control. Based on the information provided, including affidavits and representations under penalties of perjury, we conclude that Taxpayer has acted reasonably and in good faith, and that granting a reasonable extension of time for Taxpayer to file Form 8996 will not prejudice the interests of the Government. Accordingly, we grant Taxpayer an extension of 60 days from the date of this letter ruling to file a Form 8996 to make the election to self-certify as a QOF under section 1400Z-2(d) and section 1.1400Z2(d)-1(a)(2)(i). The election must be made on a completed Form 8996 attached to Taxpayer's Year 1 tax return. This letter ruling grants an extension of time to file a Form 8996. This letter ruling does not grant an extension of time to file Taxpayer's Form 1065.

CAVEATS

The granting of an extension of time in this ruling letter is not a determination that Taxpayer is otherwise eligible to self-certify as a QOF. *See* § 301.9100-1(a).

This ruling is based upon facts and representations submitted by the Taxpayer and accompanied by penalty of perjury statements executed by the appropriate parties. 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 either expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we have no opinion, either express or implied, concerning whether any investments made in Taxpayer are qualifying investments as defined in § 1.1400Z2(a)-1(b)(34) or whether Taxpayer meets the requirements under section 1400Z-2 and the regulations thereunder to be treated as a QOF. In addition, we also express no opinion on whether any interest owned in any entity by Taxpayer qualifies as qualified opportunity zone property, as defined in section 1400Z-2(d)(2), or whether such entity would be treated as a qualified opportunity zone business, as defined in section 1400Z-2(d)(3). We express no opinion regarding the tax treatment of the instant transaction under the provisions of any other sections of the Internal Revenue 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.

A copy of this letter must be attached to any tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling. Taxpayers that have previously filed a return or administrative adjustment requests attaching Form 8996 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 previous filing(s).

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. Enclosed is a copy of the letter ruling showing the deletions proposed to be made when it is disclosed under § 6110.

Sincerely,

Erika Reigle
Acting Branch Chief, Branch 8
Office of Associate Chief Counsel
(Income Tax & Accounting)

cc: