

Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PTE:B03
PLR-119884-25

Date:
May 08, 2026

Legend

X =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Country =

Dear :

This letter responds to a letter dated October 6, 2025, submitted on behalf of X by its authorized representatives, requesting a ruling under § 301.7701-3(c)(1)(iv) of the Procedure and Administration Regulations. Specifically, the letter requests the Service's consent to change X's classification from an association taxable as a corporation to a disregarded entity for federal tax purposes effective Date 4.

FACTS

The information submitted states that on Date 1, X was formed under the laws of Country. X's default classification was an association taxable as a corporation for federal tax purposes. On Date 1, X filed Form 8832, Entity Classification Election, to be classified as a disregarded entity effective Date 1. Subsequent to the filing of Form 8832 on Date 1, X filed Form 8832 to be classified as an association taxable as a corporation effective Date 2.

On Date 3, a new owner acquired all the interests in X. X represents that effective Date 3, it had a change in ownership of more than fifty percent of its ownership interests that would satisfy the requirements of § 301.7701-3(c)(1)(iv).

LAW AND ANALYSIS

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes as provided in § 301.7701-3. An eligible entity with at least two members can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) or a partnership, and an eligible entity with a single owner can elect to be classified as an association or to be disregarded as an entity separate from its owner. Elections are necessary only when an eligible entity does not want to be classified under the default classification or when an eligible entity chooses to change its classification.

Section 301.7701-3(b)(2) provides that, unless the entity elects otherwise, a foreign eligible entity is (i) a partnership if it has two or more members and at least one member does not have limited liability; (ii) an association if all members have limited liability, or (iii) disregarded as an entity separate from its owner if it has a single owner that does not have limited liability.

Section 301.7701-3(c)(1)(i) provides that, except as provided in § 301.7701-3(c)(1)(iv) and (v), an eligible entity may elect to be classified other than as provided under § 301.7701-3(b), or to change its classification, by filing Form 8832, Entity Classification Election, with the service center designated on Form 8832.

Section 301.7701-3(c)(1)(iii) provides that an election made under § 301.7701-3(c)(1)(i) will be effective on the date specified by the entity on Form 8832 or on the date filed if no date is specified on the election form. The effective date specified on Form 8832 cannot be more than 75 days prior to the date on which the election is filed and cannot be more than 12 months after the date on which the election is filed.

Section 301.7701-3(c)(1)(iv) provides that, if an eligible entity makes an election under § 301.7701-3(c)(1)(i) to change its classification, the entity cannot change its classification by election again during the sixty months succeeding the effective date of the election. However, the Commissioner may permit the entity to change its classification by election within the sixty months if more than fifty percent of the ownership interests in the entity as of the effective date of the subsequent election are owned by persons that did not own any interests in the entity on the filing date or on the effective date of the entity's prior election.

CONCLUSION

Based solely on the information submitted and the representations made, we consent to X changing its entity classification to a disregarded entity for federal tax purposes effective Date 4 under § 301.7701-3(c)(1)(iv). Accordingly, X should file Form 8832 pursuant to Rev. Proc. 2009-41, 2009-39 I.R.B. 439, with the appropriate service center to elect to be disregarded as an entity separate from its owner effective Date 4 and attach a copy of this letter to its Form 8832.

Except as expressly provided herein, we express or imply no opinion concerning the federal tax consequences of any transaction or item discussed or referenced in this letter. Specifically, we express or imply no opinion regarding whether X is otherwise eligible to make the election.

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

This ruling is directed only to the taxpayer requesting it. According to § 6110(k)(3) of the Code, this ruling may not be used or cited as precedent.

Pursuant to the power of attorney on file with this office, we are sending a copy of this letter to X's authorized representatives.

Sincerely,

Elizabeth V. Zanet
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Partnerships, Trusts, and Estates)

Enclosure:

A copy of this letter

PLR-119884-25

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cc: