Internal Revenue Service

Number: **202633007**
Release Date: 8/14/2026

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

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:B04
PLR-119579-25

Date:
May 21, 2026

LEGEND

Taxpayer	=
Date 1	=
Date 2	=
Date 3	=
Year 1	=
Year 2	=
Entity A	=
Entity B	=
$x	=
Tax Advisor	=

Dear :

This letter responds to Taxpayer's request, dated Date 3, for a private letter ruling granting an extension of time to make a late regulatory election pursuant to §§ 301.9100-1 and 301.9100-3.[1] Specifically, Taxpayer requests an extension of time to make an election to defer eligible gain pursuant to section 1400Z-2(a)(1)(A) and § 1.1400Z2(a)-1(d) on Form 8949, *Sales and Other Dispositions of Capital Assets*, for Year 1, with respect to amounts invested in a Qualified Opportunity Fund (QOF), as defined in section 1400Z-2(d).

This letter ruling is being issued electronically in accordance with Rev. Proc. 2025-1, 2025-1 I.R.B. 1. A paper copy will not be mailed to Taxpayer.

[1] Unless otherwise specified, all "section" or "§" references are to sections of the Internal Revenue Code of 1986, as amended, Title 26 U.S.C. ("Code"), or the Treasury Regulations (26 CFR Part 1 or 26 CFR Part 301).

FACTS

According to the facts and representations provided, Taxpayer is an individual on a calendar tax year.

Taxpayer sold its interest in Entity A on Date 1, which generated a gain of $x. On Date 2, Taxpayer then invested $x in Entity B, a QOF. Taxpayer was unaware of the requirement to file a Form 8949 to elect to defer the gain it invested in Entity B. Taxpayer also believed the deferral of the gain would be accomplished in connection with Entity B's issuance of a Schedule K-1 to Taxpayer.

Taxpayer had engaged Tax Advisor to prepare and timely file Taxpayer's Year 1 Form 1040, *U.S. Individual Income Tax Return*. Because Taxpayer was not aware of the requirement to file Form 8949, Taxpayer did not provide Tax Advisor with the necessary information to make Tax Advisor aware a Form 8949 was required.

In Year 2, Tax Advisor discovered the failure to file Taxpayer's Form 8949 for Year 1. Subsequently, on Date 3, Taxpayer amended its Form 1040 to add Form 8949 for Year 1 and filed this request.

LAW AND ANALYSIS

Section 1400Z-2(a)(1)(A) provides that in the case of gain from the sale to, or exchange with, an unrelated person of any property held by the taxpayer, at the election of the taxpayer, gross income for the tax year shall not include so much of such gain as does not exceed the aggregate amount invested by the taxpayer in a QOF during the 180-day period beginning on the date of such sale or exchange.

Section 1.1400Z2(a)-1(a)(2) provides that a taxpayer eligible to defer gain pursuant to section 1400Z-2(a)(1) must make an election on its Federal income tax return for the taxable year in which the gain would be included if not deferred. Section 1.1400Z2(a)-1(d)(1) further provides that the election must be made in accordance with guidance published in the Internal Revenue Bulletin or in forms and instructions (see §§ 601.601(d)(2) and 601.602 of this chapter), as to the required time, form, and manner in which an eligible taxpayer may make a deferral election. Taxpayers electing to defer gain pursuant to section 1400Z-2(a)(1) must attach Form 8949 to their timely filed Federal income tax return for the year of deferral. Because §§ 1.1400Z2(a)-1(a)(2) and 1.1400Z2(a)-1(d)(1) set forth the manner and timing for a taxpayer to defer eligible gains invested in a QOF, this election is a regulatory election, as defined in § 301.9100-1(b).

Sections 301.9100-1 through 301.9100-3 provide the standards the Service 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 changes covered in § 301.9100-2) will be granted when the taxpayer acted reasonably and in good faith and granting relief will not prejudice the interests of the Government.

Section 301.9100-3(b)(1) 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;
(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.

Under § 301.9100-3(b)(3), a taxpayer will not be considered to have acted reasonably and in good faith if the taxpayer—

(i) Seeks to alter a return position for which an accuracy-related penalty could be imposed under section 6662 at the time the taxpayer requests relief and the new position requires a regulatory election for which relief is requested;
(ii) Was fully informed of the required election and related tax consequences, but chose not to file 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 Service will grant a reasonable extension of time 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).

CONCLUSION

Based solely 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 will not prejudice the interests of the Government. Accordingly, Taxpayer has satisfied the requirements of the regulations for the granting of relief, and Taxpayer's late-filed Form 8949 for Year 1, electing to defer capital gains invested in a QOF, is considered timely filed. Taxpayer should submit a copy of this letter ruling to the IRS Service Center where Taxpayer files its income tax returns, together with a cover letter requesting that the Service Center associate this letter ruling with Taxpayer's Year 1 Form 1040.

CAVEATS

This ruling is based upon facts and representations submitted by Taxpayer and accompanied by penalty of perjury statements 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.

This ruling addresses the granting of § 301.9100-3 relief as applied to the election to defer capital gain on Form 8949. Specifically, we have no opinion, either express or implied, concerning whether any investments made into Entity B are qualifying investments as defined in §1.1400Z2(a)-1(b)(34) or whether Entity B meets the requirements under section 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. We express no opinion as to whether Taxpayer's Year 1 federal income tax return is considered timely filed.

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 Form 2848, *Power of Attorney and Declaration of Representative,* on file with this office, a copy of this letter is being sent to Taxpayer's authorized representative.

Sincerely,

Jonathan A. Dunlap
Assistant to the Branch Chief, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)

Cc: