Internal Revenue Service

Department of the Treasury
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Person To Contact:
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PLR-102423-26

Date:
August 06, 2026

LEGEND

Taxpayer	=
Tax Return Preparer	=
Date 1	=
Date 2	=
Date 3	=
Date 4	=
Date 5	=
State	=
Year	=

Dear :

This letter responds to Taxpayer's request for a letter ruling dated Date 5. Specifically, Taxpayer requests relief under §§ 301.9100-1 and 301.9100-3[1] for an extension of time to make an election to self-certify as a qualified opportunity fund (QOF) under section 1400Z-2(d) and § 1.1400Z2(d)-1(a)(2), effective as of Date 1.

[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).

FACTS

According to the information and representations provided, Taxpayer, a limited liability company treated as a partnership for Federal income tax purposes, was organized under the laws of Delaware on Date 2. As reflected in its organizing documents, Taxpayer was formed for the purpose of qualifying as a QOF and investing in a qualified opportunity zone business. Taxpayer is a calendar year taxpayer that uses an accrual method as its overall method of accounting.

Taxpayer represents that it intended to certify as a QOF as of Date 1. In Date 3, Taxpayer engaged Tax Return Preparer to prepare Taxpayer's Federal income tax return for Year. Taxpayer represents that it knew Tax Return Preparer to have extensive experience and institutional knowledge regarding filing Form 1065, *U.S. Return of Partnership Income*, and QOF elections. Tax Return Preparer filed Taxpayer's Form 1065 for Year on or about Date 4, but failed to attach Taxpayer's Form 8996, *Qualified Opportunity Fund*. Upon discovery of the failure to file a Form 8996, Tax Return Preparer notified Taxpayer. Taxpayer then engaged Tax Return Preparer to submit this request for a letter ruling.

Taxpayer represents that granting the relief requested would not prejudice the Government under § 301.9100-3(c)(1) as Taxpayer's tax liability in aggregate for all taxable years would not be lower having taken the time value of money into account.

LAW AND ANALYSIS

Section 1400Z-2(e)(4) of the Internal Revenue Code 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 Income Tax 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 Instructions to Form 8996 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 Procedure and Administration 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) 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.

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) 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).

CONCLUSION

The information and representations provided indicate that Taxpayer did not timely file its Form 8996 by the due date of its Federal income tax return for Year due to Taxpayer’s reasonable reliance on Tax Return Preparer and Tax Return Preparer’s failure to timely file a Form 8996 on behalf of Taxpayer. Accordingly, based solely on

the facts and information submitted, and the representations made in the ruling request, 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 and § 1.1400Z2(d)-1(a)(2)(i). The election must be made on a completed Form 8996 attached to the Taxpayer's amended tax return or administrative-adjustment request (as applicable).

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 satisfies the requirements under section 1400Z-2 and the regulations thereunder to be treated as 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.

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.

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 section 6110. Pursuant to the Form 2848, *Power of Attorney and Declaration of Representative*, on file, we are sending a copy of this letter to Taxpayer's authorized representatives.

Sincerely,

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Dominic D. DiMattia
Senior Technical Reviewer, Branch 4
Office of Chief Counsel
(Income Tax & Accounting)

cc: