Internal Revenue Service

Number: **202645007**
Release Date: 11/6/2026

Index Number: 9100.31-00, 9100.00-00, 1362.00-00, 1362.01-00, 1362.01-03

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:PT&E:B03
PLR-102501-26
PLR-102502-26

Date:
August 3, 2026

Legend

X =

Sub 1 =

Sub 2 =

Sub 3 =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

State =

Dear :

This letter responds to a letter dated December 18 2025, submitted on behalf of X, by its authorized representative requesting that the Service grant X an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to elect to treat Sub 2 and Sub 3 as a qualified subchapter S subsidiary ("Qsub") under § 1361(b)(3) of the Internal Revenue Code ("Code").

FACTS

X was formed as a limited liability company organized under the laws of State on Date 1, and elected to be an S corporation effective Date 1. Sub 1, a State corporation, was incorporated on and elected to be an S corporation on Date 2. X wholly owns Sub 1 and elected to treat Sub 1 as a QSub with the effective date of Date 2. Sub 2, a State corporation, was incorporated on Date 3, and elected to be an S corporation effective Date 4. Sub 3, a State corporation, was incorporated on and elected to be an S corporation on Date 5. Sub 2 and Sub 3 are wholly owned by Sub 1. X represents that it intended to elect to treat Sub 2 and Sub 3 as QSubs effective Date 6. However, X failed to timely file a Form 8869, Qualified Subchapter S Subsidiary Election, for Sub 2 or Sub 3.

LAW AND ANALYSIS

Section 1361(b)(3)(A) provides that, except as provided in regulations prescribed by the Secretary, for purposes of the Code (i) a corporation which is a QSub shall not be treated as a separate corporation, and (ii) all assets, liabilities, and items of income, deduction, and credit of a QSub shall be treated as assets, liabilities, and such items (as the case may be) of the S corporation.

Section 1361(b)(3)(B) defines a QSub as a domestic corporation which is not an ineligible corporation (as defined in § 1361(b)(2)), if (i) 100 percent of the stock of the corporation is held by the S corporation, and (ii) the S corporation elects to treat the corporation as a QSub.

Section 1.1361-3(a) of the Income Tax Regulations prescribes the time and manner for making a QSub election. Section 1.1361-3(a)(4) provides that a QSub election cannot be effective more than two months and 15 days prior to the date of filing. The proper form for making a QSub election is Form 8869, Qualified Subchapter S Subsidiary Election.

Section 1.1361-3(a)(6) provides that an extension of time to make a QSub election may be available under §§ 301.9100-1 and 301.9100-3.

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months

except in the case of a taxpayer who is abroad, under all subtitles of the Code except subtitles E, G, H, and I. Section 301. 9100-1(b) provides that the term "regulatory election" includes an election whose due date is prescribed by a regulation published in the Federal Register.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory 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 the evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

CONCLUSION

Based solely on the information submitted and the representations made, we conclude that X has satisfied the requirements of §§ 301.9100-1 and 301.9100-3 with respect to the QSub elections for Sub 2 and Sub 3. Therefore, X is granted 120 days from the date of this letter to elect to treat Sub 2 and Sub 3 as QSubs effective Date 6. The election should be made for Sub 2 and Sub 3 by filing Form 8869 with the appropriate service center and a copy of this letter should be attached to the election.

Except as specifically set forth above, we express or imply no opinion concerning the federal tax consequences of the facts described above under any other provisions of the Code. Specifically, we express or imply no opinion regarding X's eligibility to be an S corporation or whether Sub 1, Sub 2, and Sub 3 are eligible to be QSubs.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer 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 ruling request, it is subject to verification on examination.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to your authorized representatives.

Sincerely,

Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

By: _____
Richard T. Probst
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure
Copy for § 6110 purposes

cc: