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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

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Date:
August 12, 2026

TY:

Legend

Taxpayer	=
CFC X	=
Country X	=
Company A	=
Country A	=
Year 1	=
Year 2	=
Date 1	=
Date 2	=

Dear :

This is in response to a letter submitted on Taxpayer's behalf by its authorized representatives requesting an extension of time under §301.9100-3 for Taxpayer to file a global intangible low-taxed income ("GILTI") high-tax exclusion election ("GILTI HTE Election") under §1.951A-2(c)(7)(viii) with respect to CFC X, for the CFC inclusion years (as defined in Treas. Reg. §1.951A-1(f)(1)) that end with or within Taxpayer's U.S. shareholder inclusion years (as defined in Treas. Reg. §1.951A-1(f)(7)), Year 1 and Year 2.

FACTS

Taxpayer, a domestic corporation, is the common parent of a U.S. consolidated group ("Taxpayer consolidated group"). Taxpayer is a subsidiary of Company A, which is a Country A corporation. During Year 1 and Year 2, Taxpayer owned stock of CFC X, a

foreign corporation organized under the laws of Country X, as determined under both section 958(a) and section 958(b). Further, during Year 1 and Year 2, Taxpayer was the only U.S. shareholder that owned stock of CFC X within the meaning of section 958(a) and, therefore, Taxpayer was the controlling domestic shareholder (as defined in Treas. Reg. §1.964-1(c)(5)) of CFC X. CFC X was the only member of its CFC group within the meaning of Treas. Reg. §1.951A-2(c)(7)(viii)(E).

For Year 1 and Year 2, Taxpayer timely filed its original Form 1120 for each year. As originally computed for Year 1 and Year 2, CFC X did not have tentative gross tested income items that met the effective rate of foreign tax threshold under Treas. Reg. §1.951A-2(c)(7)(i)(B). As a result, Taxpayer could not make the GILTI HTE Election for those years.

On Date 1, the Country X tax authority began a review of intercompany transactions between CFC X and Company A that included transactions in Year 1 and Year 2. This review stemmed from an Advanced Pricing Agreement ("APA") request. On Date 2, the Country X Competent Authority finalized the APA for Year 1 and Year 2. Date 2 was more than 24 months after the unextended due date of the original federal income tax return for Year 2. CFC X filed, as required, amended Country X income tax returns for the respective years to comply with the APA and reflect compensating adjustments. These transfer pricing adjustments and computations increased CFC X's income tax due in Country X in Year 1 and Year 2 such that CFC X's tentative gross tested income items now met the effective rate of foreign tax threshold under Treas. Reg. §1.951A-2(c)(7)(i)(B) in each of Year 1 and Year 2. Prior to the finalization of the APA, the GILTI HTE Election was not available to Taxpayer with respect to CFC X. Further, Taxpayer was not able to make GILTI HTE Elections on amended returns as described in Treas. Reg. §1.951A-2(c)(7)(viii)(A)(2)(i) because more than 24 months had passed since the unextended due date of the original tax return for Year 2.

Taxpayer is not currently under examination for Year 1, Year 2, or any other year in which any issue with respect to the election is presented on a return. Taxpayer represents that granting the relief requested will not result in Taxpayer having a lower tax liability in the aggregate for all affected years than Taxpayer would have had if the election had been timely made. Taxpayer represents that no facts have changed that would indicate the use of hindsight and that the election would have been beneficial from the beginning. Taxpayer represents that making the GILTI HTE Election for Year 1 and Year 2 will not result in any additional tax liability for Year 1 or Year 2, or any other year for which assessment is barred under section 6501(a), such that there would be a tax liability that could not be assessed or collected as a result of the GILTI HTE Election. Taxpayer also represents that the effect of the election is an increase to the amount of its consolidated net operating loss carryforward into open tax years and the election does not produce any underpayment (or overpayment) in any closed year. Further, Taxpayer is the only U.S. shareholder that directly or indirectly owns stock in CFC X; therefore, Taxpayer is the only taxpayer affected by the GILTI HTE Election.

LAW AND ANALYSIS

Section 951A(a) provides that a U.S. shareholder of any CFC for any taxable year of the U.S. shareholder must include in gross income the shareholder's GILTI for that taxable year.

Section 951A(b) provides that the term "GILTI" means, with respect to any U.S. shareholder for any taxable year of such U.S. shareholder, the excess (if any) of such shareholder's net CFC tested income for such taxable year, over such shareholder's net deemed tangible income return for such taxable year.

Section 951A(c)(1) generally provides that the term "net CFC tested income" means, with respect to any U.S. shareholder for any taxable year, the excess (if any) of the aggregate of such shareholder's pro rata share of the tested income of each CFC with respect to which such shareholder is a U.S. shareholder for such taxable year of such U.S. shareholder, over the aggregate of such shareholder's pro rata share of the tested loss of each CFC with respect to which such shareholder is a U.S. shareholder for such taxable year of such U.S. shareholder.

Section 951A(c)(2)(A) provides that the term "tested income" means, with respect to any CFC for any taxable year of such CFC, the excess (if any) of the gross income of such corporation determined without regard to certain items of income, including any gross income excluded from the foreign base company income (as defined in section 954) and the insurance income (as defined in section 953) of such corporation by reason of section 954(b)(4), over the deductions (including taxes) properly allocable to such gross income under rules similar to the rules of section 954(b)(5) (or to which such deductions would be allocable if there were such gross income).

Section 1.951A-2(c)(7)(i) generally provides that for purposes of determining the tested income of a CFC, a tentative gross tested income item (determined under §1.951A-2(c)(7)(ii)(A)) qualifies for the exception described in section 954(b)(4) only if a GILTI HTE Election is effective with respect to the CFC for the CFC inclusion year (as defined in §1.951A-1(f)(1)) and the tentative tested income item with respect to the tentative gross tested income item was subject to an effective rate of foreign tax that is greater than 90 percent of the maximum rate of tax specified in section 11.

Section 1.951A-2(c)(7)(viii) provides that the GILTI HTE Election is made by the controlling domestic shareholders with respect to a CFC for a CFC inclusion year by filing the statement required under §1.964-1(c)(3)(ii) with a timely filed original federal income tax return, or with an amended federal income tax return, for the U.S. shareholder inclusion year of each controlling domestic shareholder in which or with which such CFC inclusion year ends; providing any notices required under §1.964-1(c)(3)(iii); and providing any additional information required by applicable administrative pronouncements.

Section 1.951A-2(c)(7)(viii)(E)(1) provides that if a CFC is a member of a CFC group, the GILTI HTE Election is made with respect to all CFCs that are members of the CFC group.

Section 1.951A-2(c)(7)(viii)(E)(2)(i) provides that a CFC group means an affiliated group as defined in section 1504(a) without regard to section 1504(b)(1) through (6), except that section 1504(a) is applied by substituting "more than 50 percent" for "at least 80 percent" each place it appears, and section 1504(a)(2)(A) is applied by substituting "or" for "and." For purposes of §1.951A-2(c)(7)(viii)(E)(2)(i), stock ownership is determined by applying the constructive ownership rules of section 318(a), other than section 318(a)(3)(A) and (B), by applying section 318(a)(4) only to options (as defined in §1.1504-4(d)) that are reasonably certain to be exercised as described in §1.1504-4(g), and by substituting in section 318(a)(2)(C) "5 percent" for "50 percent."

Section 1.951A-2(c)(7)(viii)(A)(2)(i) generally provides that a controlling domestic shareholder may make the election with an amended federal income tax return, duly filed within 24 months of the unextended due date of the original federal income tax return for the U.S. shareholder inclusion year with or within which the CFC inclusion year ends.

Section 1.951A-2(c)(7)(viii)(D) provides that a GILTI HTE Election is valid only if all of the requirements in Treas. Reg. §1.951A-2(c)(7)(viii)(A) are satisfied.

Section 301.9100-1(c) provides that 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 Internal Revenue Code, except subtitles E, G, H, and I.

Section 301.9100-1(b) defines the term "regulatory election" as an election whose due date is prescribed by a regulation published in the Federal Register or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Section 301.9100-2 provides automatic extensions of time for making certain elections.

Section 301.9100-3 provides rules for requesting extensions of time for regulatory elections that do not meet the requirements of Treas. Reg. §301.9100-2. It provides that these requests for relief are granted when the taxpayer provides the evidence (including affidavits) 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. A taxpayer is deemed to have acted reasonably and in good faith if, among other factors, the taxpayer requests relief before the failure to make the regulatory election is discovered by the IRS. Treas. Reg. §301.9100-3(b)(1)(i). A taxpayer is also deemed to have acted reasonably and in good faith if the taxpayer failed to make the election because of intervening events beyond the taxpayer's control. Treas. Reg. §301.9100-3(b)(1)(ii).

Section 301.9100-3(b)(3)(ii) provides that a taxpayer is not deemed to have acted reasonably and in good faith if the taxpayer was informed in all material respects of the required election and related tax consequences, but chose not to file the election.

Section §301.9100-1(a) provides that granting an extension of time for making an election is not a determination that a taxpayer is otherwise eligible to make the election or that a taxpayer complied with the other requirements for a valid election.

CONCLUSION

Based on the facts provided and representations made, we conclude that the requirements of Treas. Reg. §§301.9100-1 and 301.9100-3 have been satisfied. Specifically, Taxpayer represents that it met one or more of the conditions in Treas. Reg. § 301.7701-3(b)(1), including that it failed to make the election because of intervening events beyond Taxpayer's control. Although the APA was not completed until Date 2, because the APA relates to income that is deemed to have been recognized prior to each of the respective due dates for making the GILTI HTE Election for Year 1 and Year 2, Taxpayer did not use hindsight in requesting relief because no facts have changed since those respective due dates.

Taxpayer is hereby granted an extension of time of one hundred twenty (120) days from the date of this letter to make GILTI HTE Elections with respect to CFC X for the CFC inclusion years that end with or within Taxpayer's U.S. shareholder inclusion years, Year 1 and Year 2. Taxpayer should make the elections in written statements attached to duly filed Forms 1120X for Year 1 and Year 2.

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 request for ruling, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

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.

A copy of this letter must be attached to any income 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.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

/s/ Melinda E. Harvey

Melinda E. Harvey
Branch Chief, Branch 2
Associate Chief Counsel (International)

Cc: