

Internal Revenue Service

Department of the Treasury

Index Number: 7701.00-00

Washington, DC 20224

Number: **199928009**
Release Date: 7/16/1999

Person to Contact:

Telephone Number:

Refer Reply To:
CC:DOM:P&SI:1-PLR-121910-98
Date:
April 08, 1999

Legend:

X =

Country =

D1 =

This responds to your letter dated December 1, 1998, submitted on behalf of X requesting that we rule that under §§ 301.7701-3(c) of the Procedure and Administration Regulations X may elect to be treated as a partnership for federal tax purposes.

FACTS

X is a foreign entity formed under the laws of Country on D1. X has at least two members, and, under X's organizational documents, each of its members has limited liability. X has not elected to be treated as a partnership for federal tax purposes.

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. An eligible entity with at least two members can elect to be classified as either an association or a partnership. Section 301.7701-3(b)(2) provides that, unless the entity elects otherwise, a foreign eligible entity is an association if all members have limited liability. Under § 301.7701-2(b)(2), an association is a corporation for federal tax purposes.

CC:DOM:P&SI:1-PLR-121910-98

Under § 301.7701-3(c)(1)(i), a foreign eligible entity can elect to be classified as a partnership by filing a Form 8832. To be valid, an election must generally be signed by each member of the electing entity, or any officer, manager, or member of the electing entity who is authorized (under local law or the entity's organizational documents) to make the election and who represents to having such authorization under penalties of perjury. See § 301.7701-3(c)(2)(i).

CONCLUSION

Based on the facts presented and representations made, X is a foreign eligible entity permitted to elect under § 301.7701-3(c) to be classified as a partnership for federal tax purposes.

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.

In accordance with the Power of Attorney on file with this office, the original of this letter is being sent to the taxpayer's representative and copies are being sent to the taxpayer's second representative and the taxpayer.

Sincerely,

Signed/David R. Haglund

David R. Haglund
Senior Technician Reviewer, Branch 1
Office of the Assistant Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2)

Copy of this letter

Copy for § 6110 purposes