Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:
CC:DOM:P&SI:1 PLR-111761-99
Date:
December 22, 1999

Legend

X =

Country =

D1 =

D2 =

D3 =

This responds to the letter dated June 30, 1999, and subsequent correspondence, submitted on behalf of X, requesting an extension of time pursuant to § 301.9100-3(a) of the Procedure and Administration Regulations to file an election under § 301.7701-3(c) to be classified as an association taxable as a corporation for federal tax purposes.

FACTS

X was formed under Country law in D1. X has a single owner that does not have limited liability. X intended to file an election to be classified as an association taxable as a corporation, effective D2. Due to an administrative oversight, however, X's accountant did not file the election until on or about D3.

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LAW AND ANALYSIS

Section 301.7701-3T(a) of the Temporary Regulations 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 as provided in this section. Section 301.7701-3T(a) further provides that an eligible entity with a single owner can elect to be classified as an association taxable as a corporation.

Section 301.7701-3(b) provides default classifications for eligible entities that do not make an election. To elect to be classified other than as provided in § 301.7701-3(b), an eligible entity must file Form 8832, Entity Classification Election, with the designated service center. Section 301.7701-3(c)(1)(i). An election can be effective on the date specified on the Form 8832 or on the date filed if no such date is specified. The effective date specified on the Form 8832 cannot be more than 75 days prior to the date the election is filed. Section 301.7701-3(c)(2)(iii).

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election. Section 301.9100-1(b) defines a regulatory election to include an election whose due date is prescribed by a regulation published in the Federal Register.

Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the Government. Section 301.9100-3(a).

CONCLUSIONS

Based solely on the facts submitted and representations made, we conclude that X has satisfied the requirements of § 301.9100-3. As a result, X is granted an extension of time to elect to be classified as an association taxable as a corporation for federal tax purposes. The election filed on or about D3 is deemed timely filed to be effective D2.

Except as specifically set forth above, no opinion is expressed or implied concerning the federal tax consequences of the facts described above under any other provision of the Code.

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

Pursuant to the power of attorney on file with this office, copies of this ruling are being sent to your authorized representatives.

Sincerely,

Signed/Paul F. Kugler
PAUL F. KUGLER
Assistant Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes