

## Internal Revenue Service

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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:

Refer Reply To:

CC:CORP:B05

PLR-107284-19

Date:

September 26, 2019

### Legend

Parent =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Sub 10 =

Sub 11 =

Sub 12 =

Sub 13 =

Sub 14 =

Sub 15 =

Sub 16 =

Sub 17 =

Sub 18 =

Company Official =

Tax Professionals =

State =

Date 1 =

Year =

Dear \_\_\_\_\_ :

This letter responds to a letter dated March 14, 2019, submitted on behalf of Parent, requesting an extension of time under §§301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to make an election. In particular, Parent is requesting an extension of time for Parent and the members of its affiliated group (the "Parent Group") to file a consolidated Federal income tax return, with Parent as the common parent, under §1.1502-75(a)(1) of the Income Tax Regulations (the "Election"), for the taxable year ending Date 1. Additional information was submitted subsequently. The material information submitted for consideration is summarized below.

Parent was a domestic corporation incorporated under the laws of State that directly and indirectly owned Sub 1, Sub 2, Sub 3, Sub 4, Sub 5, Sub 6, Sub 7, Sub 8, Sub 9, Sub 10, Sub 11, Sub 12, Sub 13, Sub 14, Sub 15, Sub 16, Sub 17, and Sub 18 at the end of the Year taxable year.

Section 1.1502-75(a)(1) of the Income Tax Regulations provides, in part, that an affiliated group of corporations which did not file a consolidated return for the immediately preceding taxable year may file a consolidated return in lieu of separate returns for the taxable year, provided that each corporation which has been a member of the group during any part of the taxable year for which the consolidated return is to be filed consents, in accordance with §1.1502-75(b) of the regulations, to the regulations under section 1502. If a group wishes to exercise its privilege of filing a consolidated return, such consolidated return must be filed not later than the last day prescribed by law (including extensions of time) for the filing of the common parent's return.

An election for the Parent Group to file a consolidated income tax return, with Parent as the common parent, for the Year taxable year was due on the last day prescribed by law (including extensions of time) for the filing of Parent's return. For various reasons, however, a valid Election (i.e., the filing of the consolidated return) was not made. After discovery of the missed Election, Parent submitted this request for an extension of time under §301.9100-3 to file a valid Election. The period of limitations on assessment under section 6501(a) has not expired for Year or any subsequent taxable year. Parent has represented that it is not attempting to alter a return position taken for which an accuracy-related penalty has been or could be imposed under section 6662.

Under §301.9100-1(c), the Commissioner has discretion to 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.

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 a regulatory election. Section 301.9100-1(a). Section 301.9100-2 provides automatic extensions of time for making certain elections. Requests for relief under §301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner 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).

The time for filing the Election is fixed by the regulations (i.e., §1.1502-75(a)(1)). Therefore, the Commissioner has discretionary authority under §301.9100-3 to grant an extension of time for Parent to file the Election, provided Parent shows it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Information, affidavits, and representations submitted by Parent, Company Official, and Tax Professionals explain the circumstances that resulted in the failure to timely file the Election. The information establishes that Parent reasonably relied on qualified tax professionals who failed to make, or advise Parent to make, a valid Election and that the request for relief was filed before the failure to make the Election was discovered by the Internal Revenue Service. See §301.9100-3(b)(1)(i) and (v).

Based on the facts and information submitted, including the representations made, we conclude that Parent has shown it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government. Accordingly, provided that the Parent Group qualifies substantively to file a consolidated return for the applicable taxable year, we grant an extension of time, under §301.9100-3, for 60 days from the date on this letter for Parent to file the Election (by filing a consolidated return, with Parent as the common parent, and attaching a Form 1122 for each of its affiliated subsidiaries for its Year taxable year). Parent Group must attach a copy of this letter to the return, or if Parent Group files the return electronically, a statement must be attached to the return that provides the date on, and the control number (PLR-107284-19) of, this letter ruling.

The above extension of time is conditioned on the Parent Group's tax liability (if any) not being lower, in the aggregate, for all years to which the Election applies, than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to the Parent Group's tax liability for the years involved. A determination thereof will be made by the applicable Director's office upon audit of the Federal income tax returns involved.

We express no opinion with respect to whether, in fact, the Parent Group qualifies substantively to file a consolidated return. In addition, we express no opinion as to the tax effects or consequences of filing the Election late under the provisions of any other

section of the Code or regulations, or as to the tax treatment of any conditions existing at the time of, or effects resulting from, filing the Election late that are not specifically set forth in the above ruling.

For purposes of granting relief under §301.9100-3, we relied on certain statements and representations made by Parent, Company Official, and Tax Professionals. However, the Director should verify all essential facts. In addition, notwithstanding that an extension is granted under §301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

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, copies of this letter are being sent to your authorized representatives.

Sincerely,

*T. Ian Russell*

T. Ian Russell

Chief, Branch 1

Office of Associate Chief Counsel (Corporate)

cc: