

INTERNAL REVENUE SERVICE

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August 31, 2000

X =

Y =

Date 1 =

State =

Dear

This is in reply to your letter dated April 26, 2000, submitted on behalf of X, requesting a ruling that X be given an extension of time to elect to be classified as an association for federal tax purposes.

The information submitted states that on Date 1, Y, a domestic corporation converted to X, a State limited partnership. X intended to elect to be treated as an association taxable as a corporation for federal tax purposes. However, X failed to file the election timely.

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. A "business entity" is any entity recognized for federal tax purposes that is not properly classified as a trust under § 301.7701-4 or otherwise subject to special treatment under the Internal Revenue Code. Section 301.7701-2(a). An eligible entity with a single owner can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) or to be disregarded as an entity separate from its owner.

Section 301.7701-3(b)(1)(i) provides, in part, that unless a domestic eligible entity elects otherwise, the entity is a partnership if it has two or more members.

Section 301.7701-3(c)(1)(i) provides that an entity may elect to be classified other than as provided under § 301.7701-3(b) by filing Form 8832, Entity Classification Election, with the applicable service center. An election will 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 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.

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).

Based solely on the facts submitted and representations made, we conclude that the requirements of § 301.9100-3 have been satisfied. As a result, X is granted an extension of time of 60 days from the date of this letter to file Form 8832 with the appropriate service center. A copy of this letter should be attached to the Form 8832.

Except as specifically ruled above, we express no opinion concerning the federal tax consequences of the transactions described above under any other provisions of the Code. In particular, we express no opinion as to the timeliness or validity of any other elections made by X.

This ruling is directed only to the taxpayers who requested it. Section 6110(k)(3) 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 forwarding a copy of this letter to X.

Sincerely,
PAUL F. KUGLER
Assistant Chief Counsel
Passthroughs and Special Industries)

Enclosures: 2
Copy of this letter
Copy for § 6110 purposes