

## 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.

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Refer Reply To:  
CC:PSI:01  
PLR-101693-19  
PLR-101695-19

Date:  
July 08, 2019

## LEGEND

X =

Y =

Date 1 =

Date 2 =

Country =

Dear :

This responds to a letter dated January 23, 2019, and subsequent correspondence, submitted on behalf of X and Y, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations for X and Y to file an entity classification election to be classified as a partnership for federal tax purposes.

## FACTS

The information submitted states that X is a limited liability company formed under the laws of Country on Date 1. Y is a limited liability company formed under the laws of Country on Date 2. X and Y are not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8). X intended to be classified as a partnership, effective on Date 1. Y intended to be classified as a partnership, effective on Date 2.

However, X and Y did not timely file Form 8832, Entity Classification Election, electing to be treated as a partnership.

X and Y represent that they acted reasonably and in good faith, and that the interests of the government will not be prejudiced by granting relief. X and Y further represent that no hindsight is involved in seeking the relief requested.

### 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, and an eligible entity with a single owner can elect to be classified as an association or to be disregarded as an entity separate from its owner.

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Generally, a foreign eligible entity is treated as an association if all members have limited liability, unless the entity makes an election to be treated otherwise.

Section 301.7701-3(c)(1)(i) provides that 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. Under § 301.7701-3(c)(1)(iii), this election can be effective up to seventy-five (75) days prior to the date the form is filed or up to twelve (12) months after the date on which the form is filed.

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 6 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.

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 the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Under § 301.9100-3, a request for relief will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) granting relief will not prejudice the interests of the government.

CONCLUSION

Based solely on the facts submitted and the 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 120 days from the date of this letter to make an election to be treated as a partnership for federal tax purposes effective beginning Date 1. Y is granted an extension of time of 120 days from the date of this letter to make an election to be treated as a partnership for federal tax purposes effective beginning Date 2. X and Y must make the election by filing a properly executed Form 8832 with the appropriate service center. A copy of this letter should be attached to the form.

If applicable, the elections made by X and Y are disregarded for purposes of determining the amounts of all section 965 elements of all United States shareholders of X and Y if the election otherwise would change the amount of any section 965 element of any such United States shareholder. See §1.965-4(c)(2).

Except as specifically set forth above, 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(s) 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, a copy of this letter is being sent to your taxpayer representative. Pursuant to a power of attorney on file with this office, a copy of this letter is being sent to X and Y's authorized representatives.

Sincerely,

Associate Chief Counsel  
(Passthroughs & Special Industries)

By: *David R. Haglund*  
David R. Haglund  
Branch Chief, Branch 1  
(Passthroughs & Special Industries)

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

cc: