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LEGEND

Taxpayer =

Corp A =

B =

C =

Country X =

Country Y =

a =

b =

c =

Dear :

We received a letter dated October 27, 2008, and subsequent correspondence, submitted on behalf of Taxpayer requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file an election under § 301.7701-3(a)

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of the Income Tax Regulations for Taxpayer to be classified as an association for federal tax purposes. This letter responds to that request.

FACTS

The information submitted discloses that Taxpayer was formed on a, under the laws of Country X, incident to the restructuring of Corp A. Corp A was a Country Y corporation owned by B and C. Under the restructuring plan, the operations of Corp A were transferred to Taxpayer, and Corp A was dissolved into Taxpayer, which is owned by B and C.

During the restructuring, Taxpayer was initially solely owned by B and filed an entity classification election to be treated as a disregarded entity for federal tax purposes. When C became a member of Taxpayer on b, Taxpayer was by default classified as a partnership for federal tax purposes. Under the restructuring plan, Taxpayer was to elect to change its entity classification to an association effective c. However, Taxpayer inadvertently failed to timely file Form 8832, Entity Classification Election, to change its entity classification from a partnership to an association taxable as a corporation.

LAW AND ANALYSIS

Section 301.7701-3(a) provides, in part, 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 § 301.7701-3. An eligible entity with at least two members can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) 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)(i) provides that, except as provided in § 301.7701-3(b)(3), unless the entity elects otherwise, a foreign eligible entity is: (A) a partnership if it has two or more members and at least one member does not have limited liability; (B) an association if all members have limited liability; or (C) disregarded as an entity separate from its owner if it has a single owner that does not have limited liability. Section 301.7701-3(b)(2)(ii) provides, in part, that for purposes of § 301.7701-3(b)(2)(i), a member of a foreign eligible entity has limited liability if the member has no personal liability for the debts of or claims against the entity by reason of being a member.

Section 301.7701-3(c)(1)(i) provides, in part, that, except as provided in § 301.7701-3(c)(1)(iv) and (v), an eligible entity may elect to be classified other than as provided under § 301.7701-3(b), or to change its classification, by filing Form 8832 with the service center designated on Form 8832.

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Section 301.7701-3(c)(1)(iii) provides, in part, that an election made under § 301.7701-3(c)(1)(i) will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified on the election form. The effective date specified on Form 8832 can not be more than 75 days prior to the date on which the election is filed and can not be more than 12 months after the date on which the election is filed.

Section 301.7701-3(g)(1)(i) provides that if an eligible entity classified as a partnership elects under § 301-7701-3(c)(1)(i) to be classified as an association, the following is deemed to occur: The partnership contributes all of its assets and liabilities to the association, and immediately thereafter, the partnership liquidates by distributing the stock of the association to its partners.

Under § 301.9100-1(c), the Commissioner may 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. Section 301.9100-1(b) provides that the term “regulatory election” includes an election whose due date is prescribed by a regulation published in the Federal Register.

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 an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2.

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

CONCLUSIONS

Based on the facts and representations submitted, Taxpayer has established that the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied. Consequently, Taxpayer is granted an extension of time of 60 days from the date of this letter for electing under § 301.7701-3 to be treated as an association, effective c. Taxpayer must file Form 8832 within the extension period with the appropriate service center, with a copy of this letter attached.

Except for the specific ruling above, we express or imply no opinion concerning the federal tax consequences of the facts of this case under any other provision of the Code. Specifically, we express or imply no opinion concerning whether Corp A's

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restructuring qualified as a reorganization under § 368. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that the taxpayer is otherwise eligible to make the election.

This ruling is directed only to the taxpayer requesting it. According to § 6110(k)(3), this ruling may not be used or cited as precedent.

Pursuant to a power of attorney on file with this office, a copy of this letter is being forwarded to Taxpayer's authorized representative.

Sincerely,

/s/

CURT G. WILSON
Associate Chief Counsel
(Passthroughs & Special Industries)

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