



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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CC:PSI:6BPHarvey
CAM-108278-98

MEMORANDUM FOR Chief, Planning and Special Programs, Area 9

FROM: Senior Technician Reviewer, Branch 6, Office of Associate
Chief Counsel (Passthroughs & Special Industries)
(CC:PSI:6)

SUBJECT: Decline to Grant Consent for a Application for Change in
Method of Accounting

In accordance with section 8.07(2)(a) of Rev. Proc. 2001-1, 2001-1 I.R.B. 1, 32, this Chief Counsel Advice advises you that we decline to grant consent with respect to a Form 3115, Application for Change in Accounting Method, filed by a taxpayer within your jurisdiction. Pursuant to § 6110(k)(3) of the Internal Revenue Code, this Chief Counsel Advice may not be used or cited as precedent.

LEGEND:

B =

C =

D =

This Chief Counsel Advice advises you that we decline to grant consent with respect to a Form 3115, dated C, filed on behalf of B. B requested permission to change from depreciating residential rental property under the general depreciation system of § 168(a) to the alternative depreciation system of § 168(g). This change would have been effective beginning with the taxable year beginning D.

Because the residential rental property at issue is not described in § 168(g)(1)(A) through (D), B was, in effect, requesting permission to make a late election under § 168(g)(7) with respect to such property. Pursuant to § 301.9100-7T of the Procedure and Administration Regulations, the election under § 168(g)(7) must be made on the tax return for the taxable year in which the property is placed in service by the taxpayer. As a result, a taxpayer may not make the election under § 168(g)(7) through a request under § 446(e) to change the taxpayer's method of accounting. Instead, the taxpayer should submit a request for a letter ruling,

CAM-108278-98

requesting an extension of time under § 301.9100-3 for making the § 168(g)(7) election. Accordingly, we decline to grant consent to B's Form 3115.

If you have any questions on this matter, do not hesitate to call (202) 622-3110.

KATHLEEN REED

cc: