

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:B01 PLR-114130-00

Date:

Nov 29, 2000

Legend

X =

State =

D1 =

This responds to the July 18, 2000 letter, submitted on behalf of X, requesting a ruling that the conversion of X from a corporation to a limited liability company (LLC) will not cause X or LLC to be classified as an entity other than a corporation for federal tax purposes.

FACTS

X was incorporated under State law in D1. X intends to convert to a LLC under State law. X represents that LLC will timely file an election to be classified as an association taxable as a corporation for federal tax purposes. X also represents that the election will specify the date of conversion as the effective date of the election.

LAW AND ANALYSIS

Section 301.7701-3(a) of the Procedure and Administration Regulations 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 to be classified as an association taxable as a corporation.

Section 301.7701-3(b) provides default classifications for eligible entities that do not make an election. To elect to be classified other than as provided in § 301.7701-

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3(b), an eligible entity must file Form 8832, Entity Classification Election, with the designated service center. An election can be effective on the date specified on the Form 8832 or on the date filed if no such date is specified. Section 301.7701-3(c)(1)(iii). The effective date cannot be more than 75 days prior to the date on which the election is filed and cannot be more than 12 months after the date on which the election is filed. Section 301.7701-3(c)(1)(iii).

CONCLUSION

Based solely on the representations made and the information submitted, and provided that LLC properly and timely elects to be classified as a corporation for federal tax purposes effective the date of conversion, X's conversion to LLC will not cause X or LLC to be classified as an entity other than a corporation for federal tax purposes.

Except as specifically set forth above, we express no opinion concerning the federal tax consequences of the transaction described above under any other provision of the Internal Revenue Code. In particular, no opinion is expressed on whether the conversion is a reorganization under § 368.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

Pursuant to the power of attorney on file with this office, a copy of this ruling is being sent to your authorized representative.

Sincerely,

/s/ Dianna K. Miosi

Dianna K. Miosi

Chief, Branch 1

Associate Chief Counsel

(Passthroughs and Special Industries)

Enclosures (2)

Copy of this letter

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