



- 1) the inventory price index computation method specified in § 1.472-8(e)(3) of the Income Tax Regulations for all its goods on the dollar-value last-in, first-out (LIFO) inventory method in accordance with § 1.472-8(e)(3)(v)(B) and Rev. Proc. 2002-9; and
- 2) the most-recent-purchases method to determine current-year costs under Rev. Proc. 2002-9, Appendix section 10.02.

However, Parent inadvertently failed to timely file the copy of the Form 3115 with the IRS national office.

## LAW AND ANALYSIS

Rev. Proc. 2002-9 provides the procedures by which a taxpayer may obtain automatic consent to change certain methods of accounting. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner of the IRS to change the taxpayer's method of accounting under § 446(e) of the Internal Revenue Code and the regulations thereunder.

Section 6.02(3)(a) of Rev. Proc. 2002-9 provides that a taxpayer changing a method of accounting pursuant to Rev. Proc. 2002-9 must complete and file a Form 3115 in duplicate. The original must be attached to the taxpayer's timely filed (including extensions) original federal income tax return for the year of change, and a copy (with signature) of the Form 3115 must be filed with the IRS national office no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections. 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.

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.

Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner 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).

## CONCLUSION

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, an extension of time is hereby granted for Parent to file the necessary copy of the Form 3115 with the IRS national office. This extension shall be for a period of 30 days from the date of this ruling. Please attach a copy of this ruling to the Form 3115 when it is filed.

Except as specifically ruled upon above, no opinion is expressed or implied concerning the federal income tax consequences arising from Parent's and Subsidiary's activities. Further, we express no opinion on: 1) whether Parent is qualified to file the Form 3115 under Rev. Proc. 2002-9; 2) whether Parent otherwise meets the requirements of that revenue procedure; and 3) whether the requested changes in accounting methods described above meet the requirements of that revenue procedure.

Pursuant to the power of attorney on file with this office, a copy of this letter is being sent to Parent's authorized representatives.

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

Sincerely,

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Office of Associate Chief Counsel  
(Income Tax & Accounting)