

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **200518030**

Release Date: 5/6/2005

Index Number: 9100.31-00

Person To Contact:

, ID No. 50-21484

Telephone Number:

Refer Reply To:

CC:PSI:B02 – PLR-139668-04

Date:

January 07, 2005

Legend

X =

Date 1 =

Dear :

This responds to a letter dated July 15, 2004, submitted by X, requesting an extension under § 301.9100-3 of the Procedure and Administration Regulations for X to elect to be treated as an association taxable as a corporation for federal tax purposes.

Facts

The information submitted states that, on Date 1, X converted from a state law corporation to a limited partnership. X intended to elect to be treated as an association taxable as a corporation for federal tax purposes as of Date 1. However, X inadvertently failed to file the proper election.

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. Under § 301.7701-2(c)(1), a domestic eligible entity with one owner can elect to be classified as an association taxable as a corporation. Section 301.7701-3(b)(1)(ii) states that unless it elects otherwise, a domestic eligible entity with one owner will be disregarded as an entity separate from its owner. Section 301.7701-3(c)(1)(iii) provides that all such elections

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become effective on the date specified by the entity on Form 8832 or on the date filed if no effective date is specified. The specified effective date must not be earlier than 75 days prior to the filing date of Form 8832, nor later than twelve months after the filing date.

Section 301.9100-1(c) gives the Commissioner discretion to grant reasonable extensions of time to make an election.

Section 301.9100-2 through § 301.9100-3 set forth the standards that the Commissioner uses to determine whether to grant a discretionary 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 that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

Conclusion

Based solely on the information submitted and the representations made, we conclude that the requirements of section §§ 301.9100-1 and 301.9100-3 have been satisfied. Consequently, X is granted an extension of time of 60 days from the date of this letter to file Form 8832 with the appropriate service center electing under § 301-7701-3(c) to be classified as an association taxable as corporation for federal tax purposes effective Date1. A copy of this letter should be attached to that form. A copy is included for that purpose.

Except as expressly provided herein, we express or imply no opinion concerning the federal income tax consequences of the facts of this case under any other provision of the Code. Specifically, we express no opinion as to whether or not X would qualify as a small business corporation as defined in § 1361(b).

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This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Internal Revenue Code provides that it may not be used or cited as precedent.

Sincerely,

Heather C. Maloy
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2):
Copy of this letter
Copy for section 6110 purposes