

Internal Revenue Service

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL
PLR-148064-05

Date:
March 22, 2006

LEGEND

Taxpayer =

DE =
Tax Year One =
Tax Year Two =
Tax Year Three =
Country Y =

Dear :

This replies to your letter dated September 16, 2005, in which you request on behalf of Taxpayer an extension of time under Treas. Reg. §301.9100-3 for Taxpayer to file the election and agreement described in §1.1503-2(g)(2)(i), and the annual certification described in §1.1503-2T(g)(2)(vi)(B), as follows:

	Tax Year One	Tax Year Two	Tax Year Three
DE	a	b	b

LEGEND
a = Election and agreement described in Treas. Reg. §1.1503-2(g)(2)(i).
b = Annual certification described in Treas. Reg. §1.1503-2T(g)(2)(vi)(B)

The information submitted for consideration is substantially as set forth below.

The ruling contained in this letter is predicated upon facts and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by

an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer files a U.S. consolidated federal income tax return. Taxpayer owned indirectly DE, a Country Y corporation. DE is a disregarded entity for U.S. income tax purposes and, accordingly, is a hybrid entity separate unit as defined in Treas. Reg. §1.1503-2(c)(4). In Tax Year One, DE incurred a dual consolidated loss (DCL) as defined in §1.1503-2(c)(5) that Taxpayer utilized in its U.S. consolidated income tax return for that tax year. However, due to an oversight, Taxpayer failed to file the election agreement described in Treas. Reg. §1.1503-2(g)(2)(i) for Tax Year One, and to file annual certifications described in §1.1503-2T(g)(2)(vi)(B) for Tax Years Two and Three with respect to the DCL incurred by DE in Tax Year One.

Taxpayer states that it has acted reasonably and in good faith pursuant to Treas. Reg. §301.9100-3(b)(1)(i) because relief is being requested before the IRS has discovered the failure to file the election agreement, and the annual certifications.

Treas. Reg. §301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the rules set forth in §301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I.

Treas. Reg. §301.9100-1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. §301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides 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 within the meaning of §301.9100-3(b), subject to the conditions set forth in §301.9100-3(b)(3), and the grant of relief will not prejudice the interests of the Government within the meaning of §301.9100-3(c).

In the present situation, the election and agreement described in Treas. Reg. §1.1503-2(g)(2)(i) and the annual certification described in §1.1503-2T(g)(2)(vi)(B) are regulatory elections as defined in §301.9100-1(b). Therefore, the Commissioner has discretionary authority under §301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in §301.9100-3(a).

Based on the facts and representations submitted, we conclude that Taxpayer satisfies the standards for relief as set forth in Treas. Reg. §301.9100-3. Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter for it to file

the election and agreement described in §1.1503-2(g)(2)(i) and the annual certification described in §1.1503-2T(g)(2)(vi)(B) as set forth above.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the election and agreement, and the annual certifications. Treas. Reg. §301.9100-1(a).

A copy of this ruling letter should be associated with the election and agreement, and the annual certifications.

This ruling is directed only to Taxpayer, who requested it. I.R.C. §6110(k)(3) provides that it may not be used or cited as precedent.

No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented.

Sincerely,

Associate Chief Counsel (International)

By: /s/ Meryl Silver

Meryl Silver

Office of the Associate Chief Counsel (International)

Enclosures:

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