

**Internal Revenue Service**

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Department of the Treasury

Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

**CC:PSI:3**

**PLR-133985-06**

Date: February 5, 2007

Company:

Members:

State:

Treaty:

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Date:

Dear :

This letter responds to a letter from your authorized representative dated July 4, 2006, as well as additional correspondence, submitted on behalf of Company, requesting an extension of time under § 301.9100-1(c) of the Procedure and Administration Regulations to elect under § 301.7701-3(c) to be treated as an association taxable as a corporation.

#### FACTS

Company was formed under the laws of State on Date. Company represents that its failure to elect association status was due to the failure of a qualified tax professional to recommend such an election. Company has filed federal tax returns (Form 1120 – U.S. Corporation Income Tax Return) for all relevant tax years.

#### LAW AND REGULATIONS

Section 301.7701-3(a) provides, in part, 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) may elect its classification for federal tax purposes. An eligible entity with at least two members may elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) or a partnership.

Section 301.7701-3(b)(1)(i) provides that, unless it elects otherwise, a domestic eligible entity is a partnership if it has two or more owners.

Section 301.7701-3(c)(1)(i) provides in general that an eligible entity may elect to be classified other than as provided in § 301.7701-3(b) by filing Form 8832, Entity Classification Election, with the appropriate service center.

Section 301.7701-3(c)(1)(iii) provides that an election under § 301.7701-3(c)(1)(i) will be effective on the date specified on Form 8832 or on the date filed if no such date is specified. The effective date specified on Form 8832 cannot be more than 75 days prior to, or more than 12 months after, the date the election is filed.

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Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I.

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 a regulatory election. Section 301.9100-1(a).

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. Section 301.9100-3(a).

#### CONCLUSION

Based on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Consequently, Company is granted an extension of 60 days from the date of this letter to elect under § 301.7701-3 to be classified as an association taxable as a corporation, effective Date. A copy of this letter should be attached to the Form 8832, to be filed with the appropriate service center within the extension period.

Except for the specific rulings above, we express or imply no opinion concerning the federal tax consequences of the facts of this case under any other provision of the Code. Specifically, we express or imply no opinion as to the application of the Treaty to Company or its members, especially regarding the residence of Company under the Treaty. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that the taxpayer is otherwise eligible to make the election.

Under a power of attorney on file with this office, we are sending a copy of this letter to your authorized representative.

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This ruling is directed only to the taxpayer who requested it. According to § 6110(k)(3), this ruling may not be used or cited as precedent.

Sincerely,

*/s/*

WILLIAM P. O'SHEA  
Associate Chief Counsel  
(Passthroughs and Special Industries)

enclosures: copy of this letter  
copy for § 6110 purposes