

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:

, ID No.

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Refer Reply To:

CC: INTL

PLR-109590-07

Date:

June 19, 2007

Taxpayer =

Branch 1 =

Branch 2 =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

CPA Firm =

Dear :

This is in response to a letter from your authorized representative dated February 23, 2007, requesting an extension of time under Treas. Reg. § 301.9100-3 to file and/or correct elections under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i) ("Elections"), as applicable, for Years 1 through 4 with respect to dual

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consolidated losses attributable to Branches 1 and 2. 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.

Branches 1 and 2 are foreign branches (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of Taxpayer, and are separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Branch 1 in Years 1 through 4 and by Branch 2 in Year 4.

Taxpayer prepared its U.S. federal consolidated income tax returns for Years 1 through 4 and engaged CPA Firm to conduct a limited review of the returns. CPA Firm signed the returns as preparer.

For Year 1, Taxpayer inadvertently did not recognize the need to file an Election and CPA Firm failed to discover the issue.

For Year 2, Taxpayer inadvertently did not recognize the need to file an Election. Although CPA Firm inquired about the need to file an Election, Taxpayer's tax department misunderstood the question and indicated there were no dual consolidated losses related to dual resident corporations included in Taxpayer's Year 2 return.

For Year 3, Taxpayer prepared its return with an Election attached to the return, but incorrectly calculated the amount of the dual consolidated loss. CPA Firm failed to discover the mistake.

For Year 4, Taxpayer attached an Election to its return. That Election was technically deficient.

Taxpayer represents that it filed this application for relief before the Internal Revenue Service discovered the failure to file (or discover errors in) the required Elections described in Treas. Reg. § 1.1503-2(g)(2)(i) and or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable. Treas. Reg. § 301.9100-3(b)(1)(i).

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 Treas. Reg. §

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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 the evidence (including affidavits described in Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

In the present situation, the Elections are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time to make these filings, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file and/or correct the Elections with respect to the dual consolidated losses attributable to Branches 1 and 2 in Years 1 through 4.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the Elections.

A copy of this ruling letter should be associated with the Elections that are the subject of this ruling.

This ruling is directed only to the 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.

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Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to Taxpayer's authorized representatives.

Sincerely,

Associate Chief Counsel (International)

By: _____
Richard L. Chewning
Senior Counsel
Office of the Associate Chief Counsel (International)

Enclosure:
Copy for 6110 purposes