

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Refer Reply To:  
CC:ITA:6  
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Date:  
May 14, 2012

In Re: Request for Extension of Time to File Form 970, Application To Use LIFO Inventory Method.

Legend

Taxpayer =

Date 1 =

Dear :

This letter is in reply to a private letter ruling request dated March 28, 2012, filed by Taxpayer. Taxpayer requests an extension of time under § 301.9100-1(c) of the Procedure and Administration Regulations to file Form 970, Application To Use LIFO Inventory Method, electing the last-in, first-out inventory method described in § 472 of the Internal Revenue Code (LIFO inventory method) for Taxpayer's inventory for the taxable year ended Date 1. The form is required to be filed by § 1.472-3(a) of the Income Tax Regulations.

In the process of evaluating a potential change in method of accounting, for its inventory, Taxpayer discovered that it failed to file Form 970 for the taxable year ending Date 1. Taxpayer admits that it was required to file a Form 970 because it implemented the LIFO inventory method described in § 472 in that taxable year and has used the LIFO inventory method for all subsequent taxable years. Promptly after discovery of this failure to file a Form 970, Taxpayer filed this request for an extension of time to file the Form 970. Taxpayer represents that the LIFO inventory method was used by Taxpayer in its reports to shareholders, partners, or other proprietors, to beneficiaries and for credit purposes for the taxable year ended Date 1 and for all subsequent taxable years.

Section 472 provides that a taxpayer may use the LIFO method in inventorying goods specified in an application to use such method, filed at such time, and in such manner, as the Secretary may prescribe.

Section 1.472-3 provides that the LIFO inventory method may be adopted and used only if the taxpayer files with its income tax return for the taxable year as of the close of which the method is first to be used in a statement of its election to use such inventory method. The statement is to be made on Form 970.

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.

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 a taxpayer provides evidence to establish to the satisfaction of the Commissioner (1) that the taxpayer acted reasonably and in good faith, and (2) that granting relief will not prejudice the interests of the Government. See § 301.9100-3(a).

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, we hereby grant an extension of time for Taxpayer to file Form 970, as required by § 1.472-3(a). 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 970.

The ruling contained in this letter is based upon information and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the materials submitted in support of the request for rulings, such material is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express no opinion as to whether Taxpayer has properly used the LIFO method.

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

In accordance with the Power of Attorney on file with this office, copies of this letter are being sent to Taxpayer's authorized representatives.

Sincerely,

ROY HIRSCHHORN  
Chief, Branch 6  
Office of Associate Chief Counsel  
(Income Tax & Accounting)