

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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TY:

Legend

Taxpayer =
Advisor =
Date1 =
Date2 =
Date3 =
Date4 =
Date5 =
Date6 =
Date7 =
Year1 =

Dear :

This is in response to the letter dated January 5, 2012, submitted on your behalf by your authorized representative. In the letter you request an extension of time to file with your Year1 federal income tax return an original Form 3115, Application for Change in Accounting Method, to change your method of accounting for bonus expenses for the taxable year beginning Date1 and ending Date2. The request is made in accordance with §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations.

For taxable year Year1, Taxpayer engaged Advisor to prepare and file its U.S. federal income tax return and also to prepare a Form 3115. Advisor timely filed Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns for taxable year Year1. On Date3, Advisor filed a copy of Form 3115 with the Internal Revenue Service (IRS) national office in accordance with § 6.02(3)(a) of Rev. Proc. 2011-14. During Date4, Advisor prepared Taxpayer's federal

income tax return and prepared the return consistent with the accounting method change requested in Form 3115. On Date5, Taxpayer timely filed its federal income tax return for the taxable year Year1. However, due to an oversight by Advisor, Advisor inadvertently failed to attach the original Form 3115 to Taxpayer's federal income tax return as required by § 6.02(3)(a) of Rev. Proc. 2011-14. In Date6, Advisor discovered the oversight and on or about Date7, Advisor informed Taxpayer that as a result of the oversight, an original Form 3115 was not timely filed.

Rev. Proc. 2011-14 provides the procedures by which a taxpayer may obtain automatic consent to change certain methods of accounting. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner to change the taxpayer's method of accounting under § 446(e) of the Internal Revenue Code and the regulations thereunder.

Section 6.02(3)(a) of Rev. Proc. 2011-14 provides that a taxpayer changing a method of accounting pursuant to Rev. Proc. 2011-14 must complete and file a Form 3115 in duplicate. The original must be attached to the taxpayer's timely filed (including extensions) original federal tax return for the year of change, and a signed copy of the Form 3115 must be filed with the IRS national office no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

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.

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 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.

Section 301.9100-3(a) provides that requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

Based solely on the facts and representations submitted, including affidavits, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, an extension of time is hereby granted for Taxpayer to file a Form 3115, requesting permission to change its method of accounting for bonus expenses for

Federal income tax purposes, effective for the taxable year ending Date2. The extension shall be for a period of 30 days from the date of this ruling. Please attach a copy of this ruling to the Forms 3115 when they are filed.

Except as ruled upon above, no opinion is expressed or implied concerning the federal income tax consequences arising from Taxpayer's activities. Specifically, we express no opinion concerning whether Taxpayer is qualified to file its application for a change in accounting method under Rev. Proc. 2011-14 or that it otherwise meets the requirements of that revenue procedure.

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

Pursuant to the power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

THOMAS D. MOFFITT
Chief, Branch 2
Office of Associate Chief Counsel
(Income Tax & Accounting)