

Internal Revenue Service

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Attn:

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:ITA:B2
PLR-105059-21

Date:
August 30, 2021

LEGEND:

Taxpayer =
Taxable Year =
Firm A =
Firm B =
Date 1 =
Date 2 =
Date 3 =
Change 1 =
Change 2 =
Change 3 =
Services =

Dear :

This ruling responds to a letter submitted Date 1, requesting an extension of time under §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to change accounting methods under § 446(e) of the Internal Revenue Code, § 1.446-1(e) of the Income Tax Regulations, and the automatic consent procedures of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, as clarified and modified by Rev. Proc. 2015-33, 2015-24 I.R.B. 1067, and as modified by Rev. Proc. 2021-26, 2021-22 I.R.B. 1163, by Rev. Proc. 2017-59, 2017-48 I.R.B. 543, and by section 17.02(b) and (c) of Rev. Proc. 2016-1, 2016-1 I.R.B. 12011-4 I.R.B. 330, 346, for the Taxable Year. This letter ruling is being

issued electronically in accordance with section 7.02(5) of Rev. Proc. 2021-1, 2021-1 IRB 1, 35.

FACTS AND REPRESENTATIONS

Taxpayer represents the following:

Taxpayer uses an overall accrual accounting method and a calendar taxable year. Taxpayer provides Services. Taxpayer was the common parent of an affiliated group of domestic corporations that filed a consolidated corporate federal income tax return for the Taxable Year.

For the Taxable Year, Taxpayer decided to make three automatic accounting method changes, Change 1, Change 2, and Change 3, pursuant to the administrative rules of Rev. Proc. 2015-13 and the List of Automatic Changes in Rev. Proc. 2019-43, 2019-48 I.R.B. 1107.

Taxpayer hired Firm A to provide tax compliance services, including preparing and filing a Form 3115 and required copy for Change 1, Change 2, and Change 3, for the Taxable Year. Firm A timely filed the required copy of the Form 3115 with the appropriate office of the Internal Revenue Service prior to the extended due date of the relevant tax return, Date 2, for Change 1, Change 2, and Change 3. See section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13.

Due to an unusual series of events, Firm A was not able to e-file Taxpayer's Forms 3115 for Change 1, Change 2, and Change 3, for the Taxable Year with its federal income tax return until one hour after the extended due date of Date 2. However, Taxpayer filed its federal income tax return for the Taxable Year reflecting Change 1, Change 2, and Change 3, and the original Form 3115 for each of the three accounting method changes were attached.

Firm A notified Taxpayer promptly on Date 3 that Taxpayer's federal income tax return was filed shortly after the extended due date of Date 2, and therefore, the Forms 3115 attached to the return were filed untimely. Taxpayer contacted Firm B for its assistance in requesting an extension of time to file the original of Taxpayer's Forms 3115.

LAW

Rev. Proc. 2015-13 provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner to change its method of accounting under § 446(e) and the regulations.

Section 6.03(1)(a)(i) of Rev. Proc. 2015-13 provides that a taxpayer changing an accounting method pursuant to Rev. Proc. 2015-13 must complete and file a Form 3115 in duplicate. The original must be attached to the taxpayer's timely filed (including any extensions) original federal income tax return for the year of change, and a copy (with signature) of the Form 3115 must be filed with the appropriate office of the Internal Revenue Service 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.

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 301.9100-1(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 with a due date that 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 301.9100-1(b) further provides that an election includes a request to adopt, change, or retain an accounting method.

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.

Section 301.9100-3(c)(1) provides that the interests of the Government are prejudiced if granting relief would result in the taxpayer having a lower tax liability in the aggregate for all taxable years affected by the election than the taxpayer would have had if the election had been timely made. The interests of the Government are ordinarily prejudiced if the taxable year in which the regulatory election should have been made, or any taxable years that would have been affected by the election had it been timely made, are closed by the period of limitations on assessment.

CONCLUSION

Based upon an analysis of the facts and representations provided, Taxpayer acted reasonably and in good faith, and granting relief will not prejudice the interests of the Government. Therefore, the requirements of §§ 301.9100-1 and 301.9100-3 have been met.

Taxpayer is granted an extension of 60 days from the date of this ruling to file the required original Form 3115 for Change 1, Change 2, and Change 3 described above

for the Taxable Year with an amended federal income tax return for that year. Please attach a copy of this letter ruling to the amended return.

The ruling contained in this letter is based on 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 material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any fact or item discussed or referenced in this letter. Specifically, we have no opinion, either expressed or implied, concerning (1) whether the accounting method changes Taxpayer has attempted to make are eligible to be made under the automatic consent procedures of Rev. Proc. 2015-13 and Rev. Proc. 2019-34; and (2) whether Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make the accounting method changes using Rev. Proc. 2015-13. Further, no opinion is expressed or implied regarding the correctness of Taxpayer's accounting methods. Lastly, we emphasize that this letter ruling does not grant any extension of time for the filing of Taxpayer's federal income tax return for the Taxable Year. Taxpayer is subject to any appropriate penalty and interest resulting from its failure to have its federal tax return filed timely.

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

In accordance with the power of attorney, a copy of this letter ruling is being sent electronically to each of Taxpayer's authorized representatives.

Sincerely yours,

Bridget Tombul
Chief, Branch 2
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosure:

Copy for § 6110 purposes

cc: