

Internal Revenue Service

Number: **202248007**

Release Date: 12/2/2022

Index Number: 9100.00-00, 9100.31-00

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:PSI:03

PLR-109809-22

PLR-109810-22

PLR-109811-22

Date:

September 08, 2022

Legend

X =

Y =

Z =

Country =

Date 1 =

Date 2 =

Date 3 =

Dear :

This letter is in response to your request dated May 17, 2022, submitted on behalf of X, Y, and Z by their authorized representatives, requesting an extension of

time under § 301.9100-3 of the Procedure and Administration Regulations for X, Y, and Z to each file to an election under § 301.7701-3 to be classified as a disregarded entity for federal tax purposes.

FACTS

Based on the information submitted, X, Y, and Z were each formed under the laws of Country on Date 1, Date 2, and Date 3, respectively. X, Y, and Z represent that, as of Date 1, Date 2, and Date 3, each was a foreign eligible entity eligible to elect to be classified as a disregarded entity for federal tax purposes. However, X, Y, and Z each failed to timely file a Form 8832, Entity Classification Election, electing to be classified as a disregarded entity for federal tax purposes effective Date 1, Date 2, and Date 3, respectively.

LAW AND ANALYSIS

Section 301.7701-3(a) provides 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) can elect its classification for federal tax purposes. An eligible entity with a single owner can elect to be classified as an association or to be disregarded as an entity separate from its owner.

Section 301.7701-3(b)(2)(i) provides that, except as provided in § 301.7701-3(b)(3), unless the entity elects otherwise, a foreign eligible entity is – (A) a partnership if it has two or more members and at least one member does not have limited liability; (B) an association if all members have limited liability; or (C) disregarded as an entity separate from its owner if it has a single owner that does not have limited liability. Section 301.7701-3(b)(2)(ii) provides that for purposes of § 301.7701-3(b)(2)(i), a member of a foreign eligible entity has limited liability if the member has no personal liability for the debts of or claims against the entity by reason of being a member.

Section 301.7701-3(c)(1)(i) provides, in part, that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b), or to change its classification, by filing Form 8832 with the service center designated on Form 8832.

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

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 the election. Section 301.9100-2 provides the rules governing automatic extensions of time

for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-3(a) provides that requests for relief subject to § 301.9100-3 will be granted when the taxpayer provides evidence (including affidavits described in § 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.

CONCLUSION

Based solely on the facts submitted and representations made, we conclude that X, Y, and Z have satisfied the requirements of §§ 301.9100-1 and 301.9100-3. As a result, X, Y, and Z are granted an extension of time of 120 days from the date of this letter to each file a Form 8832 with the appropriate service center to elect to be classified as a disregarded entity for federal tax purposes effective Date 1, Date 2, and Date 3, respectively. A copy of this letter should be attached to each Form 8832.

This ruling is contingent on X, Y, and Z and their owner filing, within 120 days of this letter, all required returns for all open years consistent with the requested relief. These returns may include, but are not limited to, Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, and Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, such that these forms reflect the consequences of the relief granted in this letter. A copy of this letter should be attached to any such returns.

If applicable, X's, Y's and Z's election to be classified as a disregarded entity effective Date 1, Date 2, and Date 3, respectively, is disregarded for purposes of determining the amounts of all § 965 elements of all United States shareholders of X, Y, and Z if the election otherwise would change the amount of any § 965 element of any such United States shareholder. See §1.965-4(c)(2) of the Income Tax Regulations.

Except as specifically set forth above, we express or imply no opinion concerning the tax consequences of the facts of these cases under any other provision of the Code and the regulations thereunder. 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 taxpayers are otherwise eligible to make the election.

The rulings contained in this letter are based upon information and representations submitted by the taxpayers and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the

PLR-109809-22
PLR-109810-22
PLR-109811-22

4

material submitted in support of the ruling requests, it is subject to verification on examination.

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

Pursuant to a power of attorney on file with this office, we are sending a copy of this letter to X's, Y's, and Z's authorized representatives.

Sincerely,

Associate Chief Counsel
(Passthroughs and Special Industries)

/s/ Margaret Burow

By:

Margaret Burow
Senior Counsel, Branch 3
Office of Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosure
Copy for § 6110 purposes

cc: