

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **202445002**
Release Date: 11/8/2024
Index Number: 9100.04-00

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact: _____, ID No.

Telephone Number:

Refer Reply To:
CC:ITA:B07
PLR-103275-24

Date:
August 12, 2024

Re: Request for Extension of Time to File the Duplicate Form 3115

Legend

Taxpayer	=	
Date1	=	
Date2	=	
Taxable Year	=	
Firm1	=	
Firm2	=	
Firm3	=	

Dear _____ :

This ruling letter responds to a letter dated February 7, 2024, and subsequent correspondence submitted by Taxpayer. In that letter, Taxpayer requests the consent of the Commissioner of Internal Revenue (Commissioner) to grant an extension of time pursuant to § 301.9100-3 of the Procedure and Administration Regulations to file a duplicate copy of a Form 3115, *Application for Change in Accounting Method* (Form 3115), with the appropriate office of the Internal Revenue Service (Service) to change its method of accounting described below, effective for Taxable Year, as required under section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, 432. This letter ruling is being issued electronically as permissible under section 7.02(5) of Rev. Proc. 2024-1, 2024-1 I.R.B. 1, 34.

FACTS

Taxpayer represents that the facts are as follows:

Taxpayer, a Real Estate Investment Trust, files a Form 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts, on a calendar-year basis. Taxpayer's overall method of accounting is an accrual method.

For the taxable year beginning Date1, Taxpayer wanted to change its method of accounting for depreciation of certain depreciable property that has been disposed of by Taxpayer. Taxpayer believes that this change in method of accounting could be implemented under the automatic change procedures of Rev. Proc. 2015-13, requesting automatic consent from the Commissioner to make the method change described in section 6.07 of Rev. Proc. 2023-24, 2023-28 I.R.B. 1207, 1228 (designated accounting change number (DCN 107)). Thus, in accord with the automatic change procedures of Rev. Proc. 2015-13, Taxpayer completed the original, signed Form 3115, reflecting the desired accounting method change, and attached this original to Taxpayer's timely-filed federal income tax return for Taxable Year. Taxpayer's federal income tax return for Taxable Year reflected this accounting method change made by Taxpayer.

In accord with section 6.03(1)(a)(i)(B) of the automatic change procedures of Rev. Proc. 2015-13, a signed copy of the original Form 3115 should have been timely filed with the appropriate office of the Service no earlier than the first day of the requested year of change and no later than the date the taxpayer files the original Form 3115 with the federal income tax return for the requested year of change.

Taxpayer's tax advisors during the Taxable Year include three outside tax consulting firms: Firm1, Firm2, and Firm3. Firm1 was engaged to prepare and file Taxpayer's tax return for Taxable Year. Firm2 was engaged to prepare Taxpayer's Form 3115 for the above listed change. Lastly, Firm3 was engaged by Taxpayer as a tax advisor.

Taxpayer, with the assistance of Firm1, timely filed its federal income tax return for Taxable Year, along with the signed original Form 3115 for the above listed change. The accounting method change and accompanying adjustment under § 481(a) were reflected on the Taxpayer's federal income tax return for Taxable Year. However, on Date2, Firm3 discovered that the duplicate copy of the Form 3115 had not been filed with the appropriate office of the Service, as required by section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13, due to an internal miscommunication by Firm2. Upon this discovery, Taxpayer submitted this request for an extension of time to file the duplicate copy of Taxpayer's Form 3115.

RULING REQUESTED

Taxpayer is requesting an extension of time under §§ 301.9100-1 and 301.9100-3 to file the duplicate copy of the Form 3115 to obtain the consent of the Commissioner to make the accounting method change DCN 107 for the assets subject to the Form 3115.

LAW AND ANALYSIS

Rev. Proc. 2015-13 provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. Section 9 of Rev. Proc. 2015-13 provides that consent of the Commissioner to change its accounting method under § 446(e) of the Internal Revenue Code and § 1.446-1(e) of the Income Tax Regulations is granted only if the taxpayer complies with all the applicable provisions of the revenue procedure and implements the change in method on its federal income tax return for the requested year of change to which the original Form 3115 is attached pursuant to section 6.03.

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 Form 3115 must be attached to the taxpayer's timely filed (including any extension) original federal income tax return for the year of change, and a copy (with signature) of the Form 3115 must be filed with the Ogden, UT office of the 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(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 301.9100-1(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 301.9100-3(a) provides that requests for relief subject to § 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 the granting of relief will not prejudice the interests of the Government.

Section 301.9100-3(c)(2) imposes special rules for accounting method regulatory elections. This section provides, in relevant part, that the interests of the Government are deemed to be prejudiced except in unusual and compelling circumstances when the accounting method regulatory election for which relief is requested is subject to the procedure described in § 1.446-1(e)(3)(i) or the relief requires an adjustment under § 481(a) (or would require an adjustment under § 481(a) if the taxpayer changed to the accounting method for which relief is requested in a taxable year subsequent to the taxable year the election should have been made).

CONCLUSION

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, Taxpayer is granted 60 calendar days from the date of this letter to file the duplicate copy of the Form 3115 for the Taxable Year. Taxpayer must attach a copy of this letter ruling to the duplicate copy. A copy of this letter ruling is enclosed for that purpose. Provided Taxpayer meets these filing requirements, we will consider the duplicate copy for the Taxable Year to be timely filed under the procedures of Rev. Proc. 2015-13.

Except as expressly set forth above, we express no opinion concerning the federal tax consequences of the facts described above under any other provision of the Code or regulations. Specifically, no opinion is expressed or implied, concerning: (1) whether the accounting method change that Taxpayer has made is eligible to be made under section 6.07 of Rev. Proc. 2023-24 and Rev. Proc. 2015-13; (2) whether Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make its accounting method change using the procedures of Rev. Proc. 2015-13; or (3) whether Taxpayer's classification, depreciation method, convention, or recovery period of the assets subject to Form 3115 are correct.

Further, this letter ruling does not grant any extension of time for filing Taxpayer's Form 1120-REIT for Taxable Year.

This letter ruling is directed only to 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, we are sending a copy of this letter ruling to Taxpayer's authorized representatives. We are also sending a copy of this letter ruling to the appropriate IRS operating division official.

Sincerely,

Deena M. Devereux

DEENA M. DEVEREUX
Branch Chief, Branch 7
Office of Associate Chief Counsel (Income Tax
and Accounting)

Enclosures (2):

copy of this letter
copy for section 6110 purposes

cc: