

Internal Revenue Service

Department of the Treasury
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Person To Contact: _____, ID No. _____

Telephone Number: _____

Refer Reply To:
CC:ITA:B06
PLR-103722-24

Date:
August 19, 2024

LEGEND

Taxpayer =

CPA =

Date A =

Parent =

Taxable Year =

Date B =

Dear _____ :

This ruling responds to a recent letter that was submitted by Taxpayer's representative, CPA. CPA has requested that the Commissioner of the Internal Revenue Service give Taxpayer an extension of time pursuant to §§ 301.9100-1 and 301-9100-3 of the Procedure and Administration Regulations to file the original Form 3115, Application for Change in Accounting Method, for Taxable Year. Taxpayer should have filed this Form 3115, pursuant to section 6.03(1)(a)(i) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, on or before Date A.

The information submitted indicates that Taxpayer is a "captive partnership" of Parent. Parent is a corporation and has participated in the Compliance Assurance Process (the "CAP") for several years. Taxpayer wished to make a change in method of accounting under § 446(e) of the Internal Revenue Code using the automatic change procedures of

Rev. Proc. 2015-13 for Taxable Year. Taxpayer timely filed the duplicate copy of the Form 3115 on Date B. But in an effort to maintain transparent and cooperative interaction between Parent, itself, and the Internal Revenue Service, after discussions with the Service's agent, Taxpayer did not timely file the original Form 3115. Taxpayer and the agent were discussing the appropriateness of the proposed accounting method.

LAW AND ANALYSIS

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 Income Tax Regulations thereunder.

IRM 4.51.8.3.1(4) provides that the CAP is based on the transparent and cooperative interaction between the taxpayer and the Service, and a taxpayer that does not exhibit this type of behavior is not suitable for the CAP.

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 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.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections.

Sections 301.9100-1 through 301.9100-3 provide the standard 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 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.

CONCLUSION

The information submitted by Taxpayer demonstrates to the satisfaction of the Commissioner that it had acted reasonably and in good faith, and that granting an extension of time to make the desired regulatory election would not prejudice the interests of the Government. Accordingly, Taxpayer is granted 45 calendar days from the date of this letter to file the original Form 3115 (identical to the duplicate copy already filed with the Service). Please attach a copy of this letter ruling to the amended return.

No opinion is expressed or implied as to the application of any other provisions of the Code or the regulations that may be applicable to the transaction. In particular, we express no opinion regarding the propriety, or the application of the proposed method described in Taxpayer's Form 3115. It should be understood that this ruling only permits Taxpayer to file the regulatory election at issue for Taxable Year.

The ruling contained in this letter ruling is based upon facts and representations submitted by Taxpayer, with accompanying penalty of perjury statements executed by appropriate parties. While this office has not verified any of the material submitted in support of this request for an extension of time to file the regulatory election, all material is subject to verification on examination.

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

In accordance with the power of attorney on file with the Service, we are sending a copy of this letter to Taxpayer's authorized representatives.

Sincerely,

Cheryl L. Oseekey
Senior Counsel, Branch 6
(Income Tax & Accounting)

cc: