

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:B01
PLR-134411-14
Date:
February 25, 2015

X =

Country =

Date 1 =

Date 2 =

Date 3 =

Dear

This letter responds to a letter dated September 15, 2014, submitted on behalf of X by its authorized representative, requesting a ruling under § 301.7701-3(c)(1)(iv) of the Procedure and Administration Regulations. Specifically, your letter requests consent to change X's classification from a partnership to an association taxable as a corporation effective Date 3.

Facts

X was formed on Date 1, under the laws of Country. X, an eligible entity, elected to be treated as a partnership for federal tax purposes effective Date 2. X represents that as of Date 3, X had a change of ownership of more than fifty percent that would satisfy § 301.7701-3(c)(1)(iv).

Law and Analysis

Section 301.7701-3(a) provides, in part, 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 as provided in § 301.7701-3. An eligible entity with at least two members can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)(2)) or a partnership, and 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(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 date is specified on the election form. The effective date specified on Form 8832 can not be more than 75 days prior to the date on which the election is filed and can not be more than 12 months after the date on which the election is filed.

Section 301.7701-3(c)(1)(iv) provides that, if an eligible entity makes an election under § 301.7701-3(c)(1)(i) to change its classification, the entity cannot change its classification by election again during the sixty months succeeding the effective date of the election. However, the Commissioner may permit the entity to change its classification by election within the sixty months if more than fifty percent of the ownership interests in the entity as of the effective date of the subsequent election are owned by persons that did not own any interests in the entity on the filing date or on the effective date of the entity's prior election.

Conclusion

Based solely on the facts submitted and representations made, we consent to X changing its classification to an association taxable as a corporation effective Date 3 under § 301.7701-3(c)(1)(iv). X should file a form 8832, Entity Classification Election, with the appropriate service center with a copy of this letter attached.

Except as specifically set forth above, we express or imply no opinion concerning the federal tax consequences of any aspect of any transaction or item either discussed or referenced in this letter. The ruling contained in this letter is based upon information and representations submitted by the 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 ruling request, it is subject to verification on examination.

We are directing the ruling only to the taxpayer who requested 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 authorized representatives.

Sincerely,

Joy C. Spies

Joy C. Spies
Senior Technician Reviewer, Branch 1
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes

cc: