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PLR-119967-24

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PLR-119969-24

Date:

March 26, 2025

LEGEND

Entity 1 =

Entity 2 =

Entity 3 =

Country 1 =

Country 2 =

Country 3 =

Date 1 =

Date 2 =

Date 3 =

Dear :

This responds to a letter dated October 28, 2024, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file elections under § 301.7701-3(c).

FACTS

According to the information submitted, Entity 1 was organized under the laws of Country 1 on Date 1. Entity 1 represents that it is a foreign eligible entity that may elect to be treated as an entity disregarded from its owner under § 301.7701-3(c). However, Entity 1 failed to timely file Form 8832, Entity Classification Election, electing to be treated as an entity disregarded from its owner for federal tax purposes effective Date 1.

Entity 2 was organized under the laws of Country 2 on Date 2. Entity 2 represents that it is a foreign eligible entity that may elect to be treated as an entity disregarded from its owner under § 301.7701-3(c). However, Entity 2 failed to timely file Form 8832, Entity Classification Election, electing to be treated an entity disregarded from its owner for federal tax purposes effective Date 2.

Entity 3 was organized under the laws of Country 3 on Date 3. Entity 3 represents that it is a foreign eligible entity that may elect to be treated as an entity disregarded from its owner under § 301.7701-3(c). However, Entity 3 failed to timely file Form 8832, Entity Classification Election, electing to be treated as an entity disregarded from its owner for federal tax purposes effective Date 3.

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. An eligible entity with at least two members can elect to be classified as either an association 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(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 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.

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I. Section 301.9100-1(b) defines the term “regulatory election” as including 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.

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.

Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence (including affidavits described in § 301.9100-3(e)) to establish that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

CONCLUSION

Based solely on the facts submitted and the representations made, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. As a result:

Entity 1 is granted an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be treated as an entity disregarded from its owner for federal tax purposes effective Date 1.

Entity 2 is granted an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be treated as an entity disregarded from its owner for federal tax purposes effective Date 2.

Entity 3 is granted an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be treated as an entity disregarded from its owner for federal tax purposes effective Date 3.

A copy of this letter should be attached to the Forms 8832.

This ruling is contingent on Entity 1, Entity 2, and Entity 3 and their owner(s) 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, the following forms: (i) Forms 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, (ii) Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, and (iii) Forms 8858, Information Return of U.S. Persons With Respect to 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.

Except as specifically set forth above, we express no opinion concerning the federal tax consequences of the facts described above under any other provision of the Internal Revenue Code. 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 taxpayer is otherwise eligible to make the election.

We express no opinion concerning the assessment of any interest, additions to tax, additional amounts, or penalties for failure to file a timely tax or information return with respect to any taxable year that may be affected by this ruling. For example, we express no opinion as to whether a taxpayer is entitled to relief from any penalty on the basis that the taxpayer had reasonable cause for failure to file timely any income tax or information returns.

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.

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

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Jeffrey A. Erickson
Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

By: _____
Christiaan T. Cleary
Senior Technician Reviewer, Branch 1
Office of Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure:

Copy of this letter for section 6110 purposes

cc: