

## Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:B01 PLR-121190-00

Date:

February 6, 2001

### Legend

X =

Country =

D1 =

This responds to the letter dated October 16, 2000, and subsequent correspondence, submitted on behalf of X, requesting an extension of time pursuant to § 301.9100-3(a) of the Procedure and Administration Regulations to file an election under § 301.7701-3(c) to be disregarded as an entity separate from its owner for federal tax purposes.

### **FACTS**

According to the information submitted, X was formed under Country law on D1. For federal tax purposes, X has a single owner that has limited liability, as defined in § 301.7701-3(b)(2)(ii). X intended to file an election to be classified as a disregarded entity, effective D1. However, X inadvertently failed to timely file the election.

### **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 as provided in this section. Section 301.7701-3(a) further provides that an eligible entity with a single owner can elect to be disregarded as an entity separate from its owner.

Section 301.7701-3(b) provides default classifications for eligible entities that do not file an election. To elect to be classified other than as provided in § 301.7701-3(b), an eligible entity must file Form 8832, Entity Classification Election, with the designated service center. Section 301.7701-3(c)(1)(i). An election can be effective on the date specified on the Form 8832 or on the date filed if no such date is specified. The

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effective date specified on the Form 8832 cannot be more than 75 days prior to the date the election is filed. Section 301.7701-3(c)(2)(iii).

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election. Section 301.9100-1(b) defines a regulatory election to include an election whose due date is prescribed by a regulation published in the Federal Register.

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

### CONCLUSION

Based solely on the facts submitted and representations made, we conclude that X has satisfied the requirements of § 301.9100-3. As a result, X is granted an extension of time to elect to be disregarded as an entity separate from its owner for federal tax purposes, effective D1. X has 60 days from the date of this letter to file Form 8832 with the designated service center.

Except as specifically set forth above, no opinion is expressed or implied concerning the federal tax consequences of the facts described above under any other provision of the Internal Revenue Code.

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

Pursuant to the power of attorney on file with this office, a copy of this ruling is being sent to the taxpayer.

Sincerely,  
**/s/Paul F. Kugler**  
Associate Chief Counsel  
(Passthroughs and Special Industries)

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