

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:INTL - PLR-125738-02

Date:

August 12, 2003

**LEGEND**

Taxpayer =

Individual A =

Date One =

CPA Firm =

Tax years A and B =

Country X =

Dear :

This replies to a letter dated April 24, 2002, in which Taxpayer requests an extension of time under Treas. Reg. § 301.9100-3 to submit a ruling request under I.R.C. § 877 as provided by Section IV of Notice 97-19, as modified by Notice 98-34. Additional information was submitted in a letter dated June 9, 2003. The information submitted for consideration is substantially as set forth below.

In re: PLR-125738-02

The ruling contained in this letter is predicated upon facts and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by Taxpayer. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer relied upon Individual A for professional tax advice and tax preparation for about sixteen years. Taxpayer is a former resident of the United States and not a U.S. citizen. Taxpayer is a citizen of Country X by reason of his birth. On Date One, Taxpayer relinquished his U.S. lawful permanent resident status and returned to Country X where he established residency. Taxpayer returned to the United States a few years later to finalize his affairs in the United States. Due to Individual A's unresponsiveness, Taxpayer engaged CPA Firm to prepare his tax returns for Tax Years A and B and then learned of the requirement to submit a ruling request under § 877. The facts show that Taxpayer reasonably relied on a qualified tax professional and the professional failed to make or advise Taxpayer to submit a ruling request under § 877 within one year of Date One.

Treas. Reg. § 301.9100 -1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the standards set forth in § 301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

In the present situation, Section IV of Notice 97-19 fixes the time for an individual to submit a ruling request under I.R.C. § 877. Therefore, the Commissioner has discretionary authority under § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the standards set forth in § 301.9100-3(a).

In re: PLR-125738-02

Based on the facts and circumstances of this case, we conclude that Taxpayer satisfies § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time until 45 days from the date of this ruling letter to submit a ruling request under I.R.C. § 877 as provided by Section IV of Notice 97-19, as modified by Notice 98-34.

No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented. Specifically, no opinion is expressed as to the tax consequences under I.R.C. § 877.

A copy of this ruling letter should be associated with the ruling request filed pursuant to Notice 97-19.

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

Pursuant to a power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Associate Chief Counsel (International)

By: /s/ Allen Goldstein

Allen Goldstein

Reviewer

Enclosure

Copy for 6110 purposes