

**Internal Revenue Service**

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:INTL:PLR-118803-99

Date:

August 23, 2000

In re:

**LEGEND**

- Taxpayer =
- DRC #1 =
- DRC #2 =
- A Tax Years =
- B Tax Years =
- CPA Firm #1, #2, #3 =

Dear :

This replies to a letter dated November 1, 1999, in which Taxpayer requests an extension of time under Treas. Reg. § 301.9100-3 as follows:

(1) to file the agreement and certification described in § 1.1503-2A(d)(3) with respect to DRC #1 for tax years (1), (2) and (3) of A Tax Years; and with respect to DRC #2 for tax years (1) through (5) of B Tax Years;

(2) to replace such agreements and certifications with the agreement described in § 1.1503-2(g)(2)(i) as provided in § 1.1503-2(h)(2)(ii); and

(3) to file the agreement and certification described in § 1.1503-2(g)(2) with respect to DRC #1 for tax years (4) and (5) of A Tax Years; and with respect to DRC #2 for tax years (6) through (12) of B Tax Years.

Additional information was submitted in letters dated December 9, 1999, and June 1, 2000.

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The ruling contained in this letter is predicated upon facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. 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 does not have an internal tax department. Thus, Taxpayer relied upon CPA Firms #1, #2 and #3 for the preparation of Taxpayer's consolidated federal income tax returns to ensure that all relevant statutory and regulatory federal income tax requirements were adequately addressed. However, there was a failure to comply with the requirements of § 1.1503-2A(d)(3) and § 1.1503-2(g).

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant 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 -1(b) 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. § 301.9100-3 provides standards for extensions of time for making regulatory elections when the deadline for making the election is other than a due date prescribed by statute.

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, the election that is the subject of this ruling request is a regulatory election as defined in § 301.9100-1(b). Therefore, the Commissioner has discretionary authority pursuant to § 301.9100-3 to grant Taxpayer an extension of time, provided that Taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

Based on the facts and circumstances of this case, we conclude that Taxpayer satisfies the standards of § 301.9100-3. Accordingly, Taxpayer is granted an extension of time until 30 days from the date of this ruling letter as follows:

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(1) to file the agreement and certification described in § 1.1503-2A(d)(3) with respect to DRC #1 for tax years (1), (2) and (3) of A Tax Years; and with respect to DRC #2 for tax years (1) through (5) of B Tax Years;

(2) to replace such agreements and certifications with the agreement described in § 1.1503-2(g)(2)(i) as provided in § 1.1503-2(h)(2)(ii); and

(3) to file the agreement and certification described in § 1.1503-2(g)(2) with respect to DRC #1 for tax years (4) and (5) of A Tax Years; and with respect to DRC #2 for tax years (6) through (12) of B Tax Years.

The granting of an extension of time to file the agreements and certifications for the years at issue is not a determination that Taxpayer is otherwise eligible to make the election. § 301.9100 -1(a).

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.

A copy of this ruling letter should be associated with the agreements and certifications.

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 Taxpayer and the other authorized representative.

Sincerely,

/s/ Allen Goldstein

Reviewer

Office of the Associate Chief Counsel (International)