

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

Number: **200609017**

Release Date: 3/3/2006

Index Number: 9100.22-00, 897.05-00

[Third Party Communication:  
Date of Communication: Month DD, YYYY]

Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
CC:INTL  
PLR-155072-04

Date:  
November 28, 2005

**LEGEND**

- Taxpayer =
- Corp A =
- Corp B =
- Corp C =
- Country R =
- Country S =
- Country T =
- Date A =
- Date B =
- Date C =

Dear :

This replies to your representative's letter dated October 18, 2004, in which your representative requests on behalf of Taxpayer an extension of time under Treas. Reg. § 301.9100-3, for purposes of Treas. Reg. §§1.897-2(g)(1)(ii)(A) and 1.1445-5, for Taxpayer to obtain a statement described in Treas. Reg. §1.897-2(h)(1) from Corp A that the stock interest in Corp A is not a U.S. real property interest.

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 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 is a Country R corporation, and is a wholly-owned subsidiary of Corp A. Corp A is a U.S. corporation, and is a wholly-owned subsidiary of Corp B. Corp B is a Country S corporation. Prior to Date A, all of the shares of Taxpayer were held by Corp C. Corp C is a Country T corporation.

The following steps in a plan of reorganization were proposed to realign the structure of Taxpayer and Corp A in order to achieve certain business objectives:

- (1) Corp C would transfer all the shares of Taxpayer to Corp A in exchange for shares of Corp A;
- (2) Taxpayer would convert from S.p.a. to S.r.l.;
- (3) Taxpayer would elect under Treas. Reg. 301.7701-3(c) to be a disregarded entity for U.S. tax purposes; and
- (4) Corp C would liquidate during the next calendar year.

The plan was carried out with respect to step (1) on Date A and step (2) on Date B, but a timely election on Form 8832 was not made with respect to step (3). Step (4) took effect during the next calendar year on Date C. The Service has already granted Taxpayer's request for relief under Treas. Reg. §301.9100-3 to file Form 8832 to elect to be classified as a disregarded entity effective on Date B.

By reason of Taxpayer's change in status pursuant to the entity classification election, Taxpayer requests relief under Treas. Reg. §301.9100-3 to obtain a statement described in §1.897-2(h)(1) from Corp A that the stock interest in Corp A is not a U.S. real property interest.

Based solely on the facts and representations submitted, we conclude that the requirements of sections Treas. Reg. §§301.9100-1 and 301.9100-3 have been satisfied. Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this letter, for purposes of §§1.897-2(g)(1)(ii) and 1.1445-5, to obtain a statement described in §1.897-2(h)(1) from Corp A that the stock interest in Corp A is not a U.S. real property interest. A copy of this letter should be attached to Corp A's statement provided to Taxpayer. Failure to mail the notice (including a copy of the statement Taxpayer obtained from Corp A under Treas. Reg. §1.897-2(h)(1)) to the Internal Revenue Service within the time period set forth in §1.897-2(h)(2)(v) will cause the statement provided pursuant to §1.897-2(h)(1) to become an invalid statement.

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 Code.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) 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,

Associate Chief Counsel (International)

By: /s/ Robert Lorence

Robert W. Lorence

Senior Counsel

Office of Associate Chief Counsel (International)

Enclosures (2)

Copy of this letter

Copy for § 6110 purposes

CC: