

**Internal Revenue Service**

Department of the Treasury

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Person to Contact:

Telephone Number:

Refer Reply To:  
CC:PSI:B1-PLR-166110-01  
Date:  
February 7, 2002

**LEGEND:**

X =  
Y =  
LLC =

Date 1 =  
Date 2 =  
State =

Dear

This responds to your letter dated November 28, 2001, submitted on behalf of LLC, requesting a ruling that LLC be given an extension of time under section 301.9100-3 of the Procedure and Administration Regulations to elect to be treated as a corporation for federal tax purposes under section 301.7701-3(c).

**FACTS**

According to the information submitted, on Date 1, X and Y formed LLC, a valid limited liability company under State law. The company began operating on Date 2. Although LLC intended that it be taxed as a corporation for federal tax purposes as of Date 2, LLC did not timely file an election (Form 8832) to be treated as an association taxable as a corporation for federal income tax purposes.

After LLC realized that it had not timely filed an election (Form 8832) to be treated as an association taxable as a corporation, it requested relief under section 301.9100-3.

**LAW AND ANALYSIS**

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under section 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an "eligible entity") can elect its classification for federal tax purposes. A "business entity" is an entity recognized for federal tax purposes that is not properly classified as a trust under section 301.7701-4 or otherwise subject to special treatment under the Code. Section 301.7701-2(a). An eligible entity with a single owner can elect either to be classified as an association (and thus a corporation

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under section 301.7701- 2(b)(2)) or to be disregarded as an entity separate from its owner.

Section 301.7701-3(b)(1)(ii) provides that unless a domestic eligible entity elects otherwise, the entity is disregarded as an entity separate from its owner if it has a single owner.

To elect to be classified other than as provided in section 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 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 to make an election.

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 for time for making elections that do not meet the requirements of section 301.9100-2. Requests for relief under section 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.

## CONCLUSION

Based solely on the facts submitted and representations made, we conclude that the requirements of section 301.9100-3 have been satisfied. Accordingly, LLC is granted an extension of time of sixty (60) days from the date of this letter to elect to be treated as an association for federal tax purposes, effective Date 2. The election should be made by filing Form 8832 with the appropriate service center. A copy of this letter should be attached to the election. A copy is enclosed for this purpose.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Internal Revenue 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 the taxpayer's representatives.

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

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