

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-158049-01

Date:

June 6, 2002

LEGEND

Taxpayer =

Corp A =

Corp B =

Corp C =

Entity =

Tax Professional A =

Tax Professional B =

Outside Tax Professional =

CPA Firm =

Dates One, Two and Three =

Dear

This replies to your letter dated September 26, 2001, requesting that Taxpayer be granted an extension of time under Treas. Reg. § 301.9100-3 with respect to the following: (a) to file elections and certifications pursuant to § 1.1503-2(g)(2)(i) and § 1.1503-2(g)(2)(vi)(B) with respect to the dual consolidated losses of Entity for each of the tax years listed on Attachment A; (b) to file a new agreement described in § 1.1503-2(g)(2)(i) pursuant to § 1.1503-2(g)(2)(iv)(B)(2)(iii) with respect to the dual consolidated losses of Entity for the tax year listed on Attachment B on behalf of Corp A; and (c) to file an agreement described in § 1.1503-2(g)(2)(i) pursuant to § 1.1503-2(g)(2)(iv)(B)(2)(iii) with respect to the dual consolidated losses of Entity for each of the tax years listed on Attachment A on behalf of Taxpayer. (Attachments A

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and B are attached to and are made a part of this ruling letter). The information submitted for consideration is substantially as set forth below.

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.

On Date One, Corp A acquired Corp B in a tax-free stock acquisition. At the time of the acquisition, Corp B held, indirectly, an interest in Entity. On Date Two, which was after Date One, Corp B merged into Corp C, a consolidated U.S. subsidiary of Corp A, under I.R.C. § 368(a)(1)(A).

On Date Three, which was after Date Two, Taxpayer acquired Corp A in a taxable purchase of the shares of Corp A. Taxpayer is the current consolidated parent of Corp A and Corp C, the successor-in-interest to former Corp B.

Tax Professional A is an employee of Corp A. Tax Professional B is a former employee of Corp A and Corp B. Outside Tax Professional was a partner in CPA Firm. The affidavits of Tax Professionals A and B, the Outside Tax Professional and the facts submitted describe the circumstances that led to the discovery and failure to file the agreements and annual certifications under § 1.1503-2(g)(2) for the tax years at issue. Taxpayer is requesting relief before the failure to file the elections and annual certifications is discovered by the IRS.

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 rules 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, the elections and the annual certifications are regulatory elections as defined in § 301.9100-1(b). Therefore, the Commissioner has

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discretionary authority under § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in § 301.9100-3(a).

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 30 days from the date of this ruling letter, (a) to file elections and certifications pursuant to § 1.1503-2(g)(2)(i) and § 1.1503-2(g)(2)(vi)(B) with respect to the dual consolidated losses of Entity for each of the tax years listed on Attachment A; (b) to file a new agreement described in § 1.1503-2(g)(2)(i) pursuant to § 1.1503-2(g)(2)(iv)(B)(2)(iii) with respect to the dual consolidated losses of Entity for the tax year listed on Attachment B on behalf of Corp A; and (c) to file an agreement described in § 1.1503-2(g)(2)(i) pursuant to § 1.1503-2(g)(2)(iv)(B)(2)(iii) with respect to the dual consolidated losses of Entity for each of the tax years listed on Attachment A on behalf of Taxpayer.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the elections and the annual certifications. § 301.9100-1(a).

Nothing in this ruling letter is to be construed as confirming the accuracy of the information you have furnished and this is specifically the case regarding the amounts of the dual consolidated losses of Entity as listed on Attachments A and B. As previously stated, verification of that information may be required as part of the audit process.

A copy of this ruling letter should be associated with the elections and annual 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.

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.

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

Sincerely,

/s/ Allen Goldstein
Allen Goldstein
Reviewer
Office of the Associate Chief Counsel (International)

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Tax Year Ended	Taxpayer	Attachment A		Election Required Under Treas. Reg. Section 1.1503-2(g)(2)(i)	Annual Certification Required Under Treas. Reg. Section 1.1503-2(g)(2)(iv)(B)
		Dual Consolidated Loss Entity	Loss Deducted on Form 1120		
				Yes	No
				Yes	Yes
				Yes	Yes

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Attachment B

Agreement Required Under Section 1.1503-2(g)(2)(iv)(B)(2)(iii)

Tax Year Ended	Taxpayer	Dual Consolidated Loss Entity	Loss Deducted on Form 1120
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