

**Internal Revenue Service**

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:ITA:B04

PLR-147854-05

Date: November 3, 2005

Taxpayer =

Year =

Dear :

This refers to Taxpayer's request that its Form 1128, Application to Adopt, Change, or Retain a Tax Year, requesting to change its accounting period for federal income tax purposes, be considered timely filed under the authority contained in § 301.9100-3 of the Procedure and Administration Regulations. Taxpayer is requesting to change from a taxable year ending December 31, to a taxable year ending June 30, effective June 30, Year.

Rev. Proc. 2002-37, 2002-1 C.B. 1030, provides procedures for certain corporations to obtain automatic approval to change their annual accounting period under § 442 of the Internal Revenue Code. A corporation complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner of the Internal Revenue Service to change its annual accounting period under § 442 and the Income Tax Regulations thereunder. Section 7.01(2) of Rev. Proc. 2002-37 provides that a Form 1128 filed pursuant to the revenue procedure will be considered timely filed for purposes of § 1.442-1(b)(1) only if it is filed on or before the time (including extensions) for filing the return for the short period required to effect such change.

Taxpayer did not file its Form 1128 by the due date of the return for the short period required to effect such change. However, Taxpayer requested an extension of time to file its Form 1128 under § 301.9100-3 soon thereafter.

Section 301.9100-3(a) provides that requests for extensions of time for regulatory elections that do not meet the requirements of § 301.9100-2 (automatic extensions), such as the instant case, must be made under the rules of § 301.9100-3. Requests for relief subject to § 301.9100-3 will be granted when the taxpayer provides evidence to

establish that the taxpayer acted reasonably and in good faith, and that the granting of relief will not prejudice the interests of the government.

Based on the facts and information submitted and the representations made, the Service holds that Taxpayer has acted reasonably and in good faith, and that the granting of relief will not prejudice the interests of the government. Accordingly, Taxpayer has satisfied the requirements of the regulations for the granting of relief, and the Service considers Taxpayer's late filed Form 1128 requesting permission to change to June 30, effective June 30, Year, timely filed.<sup>1</sup>

Since the Director, Internal Revenue Service Center, where the taxpayer's returns are filed has jurisdiction of a change in accounting period under Rev. Proc. 2002-37, Taxpayer should file its Form 1128 and a copy of this letter with the Director, \_\_\_\_\_, within 30 days of the date of this letter.

This office has not verified any of the material submitted in support of the request for a ruling. However, as part of an examination process, the Service may verify the factual information, representations, and other data submitted.

This ruling addresses the granting of § 301.9100-3 relief only. The Service expresses no opinion regarding the tax treatment of the instant transaction under the provisions of any other sections of the Code or regulations that may be applicable thereto, or regarding the tax treatment of any conditions existing at the time of, or effects resulting from, the instant transaction. Specifically, we express no opinion as to whether the Code and applicable regulations or as to whether Rev. Proc. 2002-37 permit the taxpayer to change to the tax year requested in the subject Form 1128.

Section 6110(k)(3) provides that this ruling, directed only to the taxpayer requesting it, may not be used or cited as precedent. In addition, we have enclosed a copy of the letter showing the deletions proposed to be made when it is disclosed under § 6110.

By the provisions of a power of attorney currently on file, we are sending a copy of this ruling letter to the taxpayer's authorized representative.

Sincerely,  
Michael J. Montemurro  
Branch Chief  
Office of Associate Chief Counsel  
(Income Tax and Accounting)

Enclosures (2)

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<sup>1</sup> The Service will process the Taxpayer's application for a change in accounting period under Rev. Proc. 2002-37.