

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC: INTL – PLR-149578-04

Date: **January 23, 2006**

In Re:

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Entity 6 =

Year 1 =

Year 2 =

Year 3 =

CPA Firm =

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Amount aa =  
Amount bb =  
Amount cc =  
Amount dd =  
Amount ee =  
Amount ff =  
Amount gg =  
Amount hh =  
Amount ii =  
Amount jj =  
Amount kk =

Dear

This is in response to a letter dated September 14, 2004, requesting an extension of time under Treas. Reg. § 301.9100-3 to file elections under Treas. Reg. § 1.1503-2(g)(2)(i) and annual certifications under Treas. Reg. § 1.1503-2(g)(2)(vi)(B) for Year 1 through Year 3 with respect to dual consolidated losses attributable to the interests in Entities 1 through 6. Additional information was received in letters dated November 22, 2005 and January 10, 2005. 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.

Taxpayer engaged CPA Firm to prepare its consolidated federal tax returns for Year 1 and Year 2. CPA Firm was engaged to review the elections and certifications and to correct any omissions and deficiencies for all applicable tax years. CPA Firm failed to

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advise Taxpayer of the need to file any elections or certifications with respect to dual consolidated losses attributable to certain foreign branches and interests in certain hybrid entity separate units. For Year 3, Taxpayer determined that the return would be prepared in house. Taxpayer inadvertently omitted elections and certifications required for Year 3.

The interest in Entity 1 is a hybrid entity separate unit as described in §1.1503-2(c)(4). Dual consolidated losses of Amount aa for Year 2 and Amount bb for Year 3 are attributable to the interest in Entity 1. An election was not filed for the Year 2 loss, and a certification with respect to the Year 2 loss was not filed with Taxpayer's federal tax return for Year 3. In addition, an incorrect election was filed for the Year 3 loss.

The interest in Entity 2 is a hybrid entity separate unit as described in §1.1503-2(c)(4)., Dual consolidated losses of Amount cc for Year 1, Amount dd for Year 2, and Amount ee for Year 3, are attributable to the interest in Entity 2. An election was not filed for the Year 1 loss, and a certification with respect to the Year 1 loss was not filed with Taxpayer's federal tax returns for Year 2 and Year 3. Likewise, an election was not filed for the Year 2 loss, and a certification with respect to the Year 2 loss was not filed with Taxpayer's federal tax return for Year 3. An incorrect election was filed for the Year 3 loss.

The interest in Entity 3 is a hybrid entity separate unit as described in §1.1503-2(c)(4). Dual consolidated losses of Amount ff for Year 2 and Amount gg for Year 3 are attributable to the interest in Entity 3. An election was not filed for the Year 2 loss and a certification with respect to the Year 2 loss was not filed with Taxpayer's federal tax return for Year 3. An election was not filed for the Year 3 loss.

Entity 4 is a foreign branch of Taxpayer and a separate unit described in §1.1503-2(c)(3)(A). Dual consolidated losses of Amount hh for Year 1 and Amount ii for Year 2 were incurred by Entity 4. Elections were not filed for the Year 1 and Year 2 losses.

Entity 5 is a foreign branch of Taxpayer and a separate unit described in §1.1503-2(c)(3)(A). Dual consolidated losses of Amount jj for Year 1 were incurred by Entity 5. An election was not filed for the Year 1 loss.

Entity 6 is a foreign branch of Taxpayer and a separate unit described in §1.1503-2(c)(3)(A). Dual consolidated losses of Amount kk for Year 3 were incurred by Entity 6. An election was not filed for the Year 3 loss.

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

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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 Treas. Reg. § 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 Treas. Reg. § 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 filings described in Treas. Reg. § 1.1503-2(g)(2) are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file the elections and the certifications for the dual consolidated losses described in this letter attributable to Entities 1 through 6 for Years 1 through 3.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the election agreement and annual certification. Treas. Reg. § 301.9100-1(a).

A copy of this ruling letter should be associated with the election agreements and the annual certifications that are the subject of this ruling.

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.

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Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to Taxpayer's authorized representatives.

Sincerely,

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Robert W. Lorence  
Senior Counsel  
Office of Associate Chief Counsel (International)

Enclosure:  
Copy for 6110 purposes

CC: