

**Internal Revenue Service**

Department of the Treasury

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Washington, DC 20224

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Refer Reply To:  
CC:PSI:3 PLR-120769-01  
Date:  
April 18, 2002

**LEGEND**

LLC =

X =

Y =

D1 =

State =

Country =

Dear :

This letter responds to LLC's submission dated April 5, 2001, and subsequent correspondence, requesting an extension of time pursuant to § 301.9100-3 of the Procedure and Administration Regulations for X and Y to file a election to be treated as partnerships for federal tax purposes under § 301.7701-3(c).

**FACTS**

According to the information submitted, LLC is a State limited liability company that has an indirect interest in X and Y. X and Y were formed on D1 and are societies with restricted liability under the laws of Country.

Because X and Y have limited liability within the meaning of § 301.7701-3(b)(2)(ii), X and Y are associations under the default rules of § 301.7701-3(b). X and Y intended to elect out of default classification pursuant to the rules in § 301.7701-3(c) but the elections were not filed.

**LAW AND ANALYSIS**

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Section 301.7701-3(b)(2)(i)(B) provides that,

unless the entity elects otherwise, a foreign eligible entity is classified as an association if all members have limited liability. If a foreign eligible entity has more than one owner, it may elect to be taxable as a partnership pursuant to the rules in § 301.7701- 3(c).

Section 301.7701-3(c) provides that an entity classification election must be filed on Form 8832 and can be effective up to 75 days prior to the date the form is filed or up to 12 months after the date on which the form is filed.

Under § 301.9100-1(c), the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad) of all subtitles of the Code, except subtitles E, G, H, and I.

Section 301.9100-3(a) provides that requests for relief 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 on the facts submitted and the representations made, the requirements of § 301.9100-3 have been satisfied. As a result, X and Y are granted an extension of time of 60 days from the date of this letter to file Form 8832, effective D1, with the appropriate service center and elect to be treated as partnerships. A copy of this letter should be attached to the election.

Except as specifically set forth above, we express or imply no opinion 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(s) requesting it. Section 6110(k)(3) of the Internal Revenue Code provides that it may not be used or cited as precedent. The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party.

Under a Power of Attorney on file with this office, we are sending a copy of this letter to the representative.

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

Enclosures (2)  
Copy of this letter  
Copy for § 6110 purposes.

cc: