

Internal Revenue Service

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Person To Contact:

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Telephone Number:

Refer Reply To:

CC: INTL:PLR-149904-02

Date:

June 23, 2003

In re:

LEGEND

Taxpayer =

Entity A =

Entity B =

Date 1 =

Individuals A, B, C =

CPA Firm =

X Office =

Dear :

This replies to a letter dated September 9, 2002, in which Taxpayer requests an extension of time under Treas. Reg. § 301.9100-3 to file the election and agreement described in § 1.1503-2(g)(2)(i) with respect to the dual consolidated loss incurred by Entity A and the dual consolidated loss incurred by Entity B in the tax year ended on Date 1. 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 review the consolidated income tax return of Taxpayer for the tax year ended on Date 1. Individual A is a tax manager in the X office of CPA

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Firm and was requested by the lead partner on the account, Individual B, to review the tax return.

Individual C was at the time at issue Taxpayer's manager of corporate taxation and, in that capacity, had principal responsibility for ensuring compliance with all federal income tax election requirements pertaining to the inclusion of the statements required under § 1.1503-2(g)(2) for all dual resident corporations of Taxpayer.

The affidavits of Individuals A, B, and C and the facts submitted describe the circumstances surrounding the discovery of and the reasons for Taxpayer's failure to file the elections and agreements. In addition, the affidavits and facts show that Taxpayer relied upon CPA Firm to ensure that Taxpayer had correctly prepared all required statements. Individuals A and B, however, were not aware that Taxpayer had dual consolidated losses and, therefore, should have filed the elections and agreements required by § 1.1503-2(g)(2)(i).

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 election described in § 1.1503-2(g)(2)(i) is a regulatory election as defined in § 301.9100-1(b). Therefore, the Commissioner has 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 information submitted, 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 to file the election and agreement described in § 1.1503-2(g)(2)(i) with respect to the dual consolidated loss incurred by Entity A and the dual consolidated loss incurred by Entity B in the tax year ended on Date 1.

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

A copy of this ruling letter should be associated with the agreements.

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 Taxpayer.

Sincerely,

Associate Chief Counsel (International)

By:/s/ Allen Goldstein

Allen Goldstein

Reviewer

Enclosure:

Copy for 6110 purposes