

Internal Revenue Service

Number: **202517014**

Release Date: 4/25/2025

Index Number: 9100.00-00

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:B08

PLR-115955-24

Date:

January 21, 2025

LEGEND

Taxpayer =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Current Year End =

Proposed Year End =

Initial Year End =

Year 1 =

Year 2 =

Dear :

This ruling responds to Taxpayer's request for a letter ruling dated Date 1. Specifically, Taxpayer requests relief under sections 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations for an extension of time to file a Form 1128, *Application to Adopt, Change, or Retain a Tax Year*. Taxpayer is requesting to change

its accounting period for federal income tax purposes from a taxable year ending Current Year End to a taxable year ending Proposed Year End, effective Year 1.

FACTS

According to the affidavits and information provided to us, Taxpayer has represented that the facts are as follows. Taxpayer is a domestic corporation and uses the accrual method of accounting. Taxpayer filed its first Form 1120 with a tax year ending Initial Year End for the tax year beginning Date 2 (date of incorporation) through Date 3. On Date 4, Taxpayer changed its annual accounting period to Current Year End, with Year 2 as the first effective year. Taxpayer then sought to change its annual accounting period to Proposed Year End, effective with the short period ending Year 1, by filing a Form 1128.

Taxpayer, due to an administrative error, failed to file the Form 1128 by the due date (not including extensions) of the tax return for the first effective year. Once the error was discovered, Taxpayer mailed the Form 1128, alongside this request, and it was received prior to 90 days after the required due date.

LAW AND ANALYSIS

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.

Sections 301.9100-1 through 301.9100-3 provide the standards that the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-3(a) provides that requests for extensions of time for regulatory elections (other than automatic extensions covered in section 301.9100-2) will be granted when the taxpayer provides evidence (including affidavits) to establish that the taxpayer acted reasonably and in good faith and the grant of relief will not prejudice the interests of the government.

Section 301.9100-3(c)(3) provides that the interests of the government are deemed to be prejudiced except in unusual and compelling circumstances if an election is an accounting period regulatory election (other than the election to use the required taxable year under section 444) and the request for relief is filed more than 90 days after the due date for filing the Form 1128.

Based on the facts and information submitted and the representations made, we conclude that Taxpayer 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. Taxpayer's Form 1128 requesting permission to change to a taxable year ending Proposed Year End, effective Year 1, must be filed under the provisions of Rev. Proc. 2002-39 within 45 days of this letter. A copy of this letter must be attached to Taxpayer's Form 1128.

Please note that a user fee is required for an application filed under Rev. Proc. 2002-39. The user fee is outlined in Rev. Proc. 2025-1, 2024-1 I.R.B. 1.

This ruling addresses the granting of § 301.9100-3 relief only. We express no opinion regarding the tax treatment of this 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 Rev. Proc. 2002-39 permit the taxpayer to change to the tax year requested in the subject Form 1128.

This ruling is based upon facts and representations submitted by 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. However, as part of an examination process, the Service may verify the factual information, representations, and other data submitted.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Powers of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Erika Reigle
Senior Technician Reviewer, Branch 8
Office of Associate Chief Counsel
(Income Tax & Accounting)

Cc: