

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-131690-05

Date: April 27, 2006

In Re:

Taxpayer =

EIN:

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

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Year 5 =
Year 6 =
aa =
bb =
cc =
dd =
ee =
ff =
gg =
hh =
ii =
jj =
kk =
ll =
mm =
nn =
CPA Firm =

Dear

This is in reply to a letter dated May 24, 2005, requesting an extension of time under Treas. Reg. § 301.9100-3 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 the tax years Year 1 through Year 6 with respect to the dual consolidated losses attributable to the interests

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in Entities 1 through 5. 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 relied on CPA Firm for preparing and reviewing its federal income tax returns and ensuring that all elections and certifications were attached to the income tax returns for the taxable years Year 1 through Year 6. CPA firm failed to advise Taxpayer as to the need to file the above described elections and certification and, therefore, the elections and certifications were not filed as required.

Entity 1 was a foreign branch of Taxpayer and a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(A). Dual consolidated losses of Amount aa for Year 1, Amount bb for Year 2, Amount cc for Year 3, Amount dd for Year 4, Amount ee for Year 5 and Amount ff for Year 6 are attributable to the interest in Entity 1. No elections were filed for any of Entity 1's dual consolidated losses.

Entity 2 is a foreign branch of Taxpayer and a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(A). Dual consolidated losses of Amount gg for Year 3, Amount hh for Year 4 and Amount ii for Year 5 are attributable to the interest in Entity 2. No elections were filed for any of Entity 2's dual consolidated losses.

The interest in Entity 3 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Dual consolidated losses of Amount jj for Year 5 and Amount kk for Year 6 are attributable to the interest in Entity 3. No elections were filed for any of Entity 3's losses and no annual certification for the Year 5 loss was filed with Taxpayer's Year 6 return.

The interest in Entity 4 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Dual consolidated losses of Amount ll for Year 5 and Amount mm for Year 6 are attributable to the interest in Entity 4. No elections were filed for any of Entity 4's losses and no annual certification for the Year 5 loss was filed with Taxpayer's Year 6 return.

The interest in Entity 5 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Dual consolidated losses of Amount nn for Year 6 are attributable to the interest in Entity 5. No election was filed for any of Entity 3's loss.

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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 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 certifications described in this letter for the dual consolidated losses incurred by Entities 1 through 5 for the tax years Year 1 through Year 6.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the election agreement and annual certification. § 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 representative.

Sincerely,

Mae J. Lew
Special Counsel
Office of Chief Counsel (International)

Enclosure:
Copy for 6110 purposes