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## IRS Provides Temporary Procedures for Duplicate Application for Change in Accounting Method

The IRS posted, on its website (<https://www.irs.gov/newsroom/temporary-procedure-to-fax-automatic-consent-forms-3115-due-to-covid-19#>), temporary procedures that allow taxpayers to fax the required duplicate copy of Form 3115, Application for Change in Accounting Method when making an accounting method change using the automatic consent procedures. The temporary procedure is effective until further notice. The IRS requires the taxpayer to submit Form 3115 in duplicate using the following process:

1. The taxpayer must attach the original Form 3115 to their timely filed (including extensions) federal income tax return for the year of change; and
2. The taxpayer must mail a copy of the signed Form 3115 to the IRS no earlier than the first day of the year of change and no later than the date the original is filed with the taxpayer's federal income tax return for the year of change.

The IRS now allows taxpayers using the automatic consent procedures to make an accounting method change to fax the required duplicate copy of Form 3115 instead of mailing a paper version of the required duplicate copy to the IRS.

## IRS Issues Ruling on "F" Reorganization

The IRS issued Private Letter Ruling 202031002 (<https://www.irs.gov/pub/irs-wd/202031002.pdf>) involving a taxpayer that attempted to domesticate in a different state and was dissolved under the laws of the state in which it was originally incorporated. The taxpayer subsequently discovered, however, that the domestication in the new state was invalid because the law of the state in which the taxpayer originally was incorporated did not permit corporations incorporated in that state to domesticate to another state. The taxpayer was, therefore, inadvertently not incorporated in either the state in which it was originally incorporated or in the state to which it wished to domesticate as of the date it was dissolved under the law of the state in which it was originally incorporated. To partially remedy this issue, the taxpayer incorporated in a state different from the one in which it was originally incorporated and different from the one to which it intended to domesticate. The taxpayer, as a business entity eligible to make an entity classification election under Treasury Regulation Section 301.7701-3, intended to file an election under such regulations to be classified as an association taxable as a corporation effective on the date it was dissolved in the original state of its incorporation within thirty days of receipt of a private letter ruling addressing its status as a corporation. The IRS found that the dissolution of the taxpayer in the state in which it was originally incorporated, together with the entity classification election effective as of the date of its dissolution, did not preclude either (1) the transition of taxpayer's legal form of organization from a statutory corporation in the state of its original incorporation to an unincorporated association, or (2) the subsequent reincorporation of the taxpayer as a corporation in a different state from qualifying as a reorganization under Section 368(a)(1)(F). (Section references are to the Internal Revenue Code of 1986, as amended.) The IRS further found that the dissolution of the taxpayer in the state of its original incorporation, together with the entity classification election as of its dissolution date, would not result in a taxable liquidation under Sections 331 and 336.

### **IRS Issues Ruling on REIT Real Estate Assets**

The IRS issued Private Letter Ruling 202031001 (<https://www.irs.gov/pub/irs-wd/202031001.pdf>) in which it found that floating docks affixed to pilings at certain properties were inherently permanent structures that were permanently affixed to other inherently permanent structures, and, accordingly, were real property within the meaning of Treasury Regulation Section 1.856-10(b) and therefore real estate assets for purposes of Sections 856(c)(4) and Code Sec. 856(c)(5) purposes.

### **CRS Issues Report on Economic Impact Payments Finding They Produce Mixed Results**

The Congressional Research Service (CRS) has released a report (<https://crsreports.congress.gov/product/pdf/IN/IN11393>) addressing fiscal policy and recovery from the COVID-19 recession. The report notes that the results of direct government payments, known as economic impact payments and Paycheck Protection Program loans, are a mixed bag.



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