

**Form 1128 (Rev. January 2008)**  
**Application To Adopt, Change, or Retain a Tax Year**

- Purpose:** This is the first circulated draft of the Form 1128 (Rev. January 2008) for your review. Major changes made to the form are explained below.
- TPCC Meeting:** No meeting is planned, but you may request one by contacting Bob Kennedy.
- Prior Revisions:** The January 2007 revision of Form 1128 may be accessed at:  
<http://www.irs.gov/pub/irs-pdf/f1128.pdf>
- Instructions:** The January 2008 revision of the Instructions for Form 1128 will be circulated at a later date. The January 2007 revisions of the instructions are available at:  
<http://www.irs.gov/pub/irs-pdf/i1128.pdf>
- Other products:** Circulations of draft tax forms and instructions are posted at  
[http://taxforms.web.irs.gov/draft\\_products.html](http://taxforms.web.irs.gov/draft_products.html) . Draft publications are not available.
- Comments:** Please email, fax, call or mail any comments by June 22, 2007, to me and email the form's reviewer, Dan Brooks, at [Daniel.V.Brooks@irs.gov](mailto:Daniel.V.Brooks@irs.gov).

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## **Major Changes to Form 1128 (Rev. January 2008)**

We have made the following changes based on Rev. Proc. 2006-45 and Rev. Proc. 2006-46 and changes requested by Chief Counsel.

### **Page 1**

Under Part 1, General Information, we reversed the “name of applicant” and name of filer”.

Under Part I, item 1, we added a new checkbox for trusts per Rev. Proc. 2006-46.

### **Page 2**

Under Part II, Section B, the title was changed to add Trusts per Rev. Proc. 2006-46.

Under Part II, Line 4, we added the text “or trust” following “PSC” per Rev. Proc. 2006-46.

Under Part II, Line 5, we added the text “or trust” following PSC and “a partnership, S corporation, or PSC that wants to change to” after “required tax year or” per Rev. Proc. 2006-46.

Under Part II, line 6, we added the text “Attach a statement showing gross receipts for the most recent 47 months” at the advice of CC:ITA.

### **Page 4**

Under Section E, line 28, yes/no boxes were added so that only CFC’s not eligible for the automatic approval procedure detailed in Rev. Proc. 2006-45 must answer Part III, question 4.

New Section I – Individuals was added at the advice of CC:ITA.

▶ See separate instructions.

**Part I General Information**

**Important:** All applicants must complete Part I and sign below. See instructions.

Type or Print	Name of filer, <del>if different than the applicant</del> (see instructions)	Filer's identifying number
	Number, street, and room or suite no. (if a P.O. box, see instructions)	Service Center where income tax return will be filed
	City or town, state, and ZIP code	Applicant's area code and telephone number/Fax number ( ) / ( )
	Name of applicant <del>(if a joint return is filed, also enter spouse's name)</del>	<b>Applicant's identifying no.</b> (see instructions)
	Name of person to contact (if not the applicant or filer, attach a power of attorney)	Contact person's area code and telephone number/Fax number ( ) / ( )

**1 Check the appropriate box(es) to indicate the type of applicant (see instructions).**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Individual                         | <input type="checkbox"/> Cooperative (sec. 1381(a))  | <input type="checkbox"/> Passive foreign investment company (PFIC) (sec. 1297)    |
| <input type="checkbox"/> Partnership                        | <input type="checkbox"/> Controlled foreign corporation (CFC) (sec. 957)   | <input type="checkbox"/> Other foreign corporation                                |
| <input type="checkbox"/> Estate                             | <input type="checkbox"/> Foreign sales corporation (FSC) or Interest-charge domestic international sales corporation (IC-DISC) | <input type="checkbox"/> Tax-exempt organization                                  |
| <input type="checkbox"/> Domestic corporation               | <input type="checkbox"/> Specified foreign corporation (SFC) (sec. 898)  | <input type="checkbox"/> Homeowners Association (sec. 528)                        |
| <input type="checkbox"/> S corporation                      | <input type="checkbox"/> <del>1750</del> corporation (sec. 904(d)(2)(E))   | <input type="checkbox"/> Other ..... (Specify entity and applicable Code section) |
| <input type="checkbox"/> Personal service corporation (PSC) | <input type="checkbox"/> <del>1750</del> corporation (sec. 904(d)(2)(E))   |   |

**2a Approval is requested to (check one) (see instructions):**

- Adopt a tax year ending ▶ ..... (Partnerships and PSCs: Go to Part III after completing Part I.)
- Change to a tax year ending ▶ .....  Retain a tax year ending ▶ .....

**b** If changing a tax year, indicate the date the present tax year ends. ▶ .....

**c** If adopting or changing a tax year, the first return or short period return will be filed for the tax year beginning ▶ ....., 20 ....., and ending ▶ ....., 20 .....

**3 Is the applicant's present tax year, as stated on line 2b above, also its current financial reporting year? ▶  Yes  No**

If "No," attach an explanation.

**4 Indicate the applicant's present overall method of accounting.**

- Cash receipts and disbursements method  Accrual method
- Other method (specify) ▶ .....

**5 State the nature of the applicant's business or principal source of income.**

**Signature—All Applicants (See Who Must Sign in the instructions.)**

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

**Applicant\***

**Preparer (other than applicant)**

.....  
Applicant or officer's signature and date

.....  
Signature of individual preparing the application and date

.....  
Name and title (print or type)

.....  
Name of individual preparing the application

\*If the application is filed on behalf of a controlled foreign corporation or a 10/50 corporation by a controlling domestic shareholder, see instructions.

.....  
Name of firm preparing the application

Part II Automatic Approval Request (see instructions)

Identify the revenue procedure under which this automatic approval request is filed

Section A—Corporations (Other Than S Corporations or Personal Service Corporations) (Rev. Proc. 2006-45, or its successor)

Table with 2 columns: Question, Yes, No. Contains questions 1, 2, and 3 regarding automatic approval for corporations.

Section B—Partnerships, S Corporations, Personal Service Corporations (PSCs), and Trusts (Rev. Proc. 2006-46, or its successor)

Table with 2 columns: Question, Yes, No. Contains questions 4, 5, 6, 7, and 8 regarding automatic approval for partnerships, S corporations, PSCs, and trusts.

Section C—Individuals (Rev. Proc. 2003-62, or its successor) (see instructions)

Table with 2 columns: Question, Yes, No. Contains question 9 regarding automatic approval for individuals.

Section D—Tax-Exempt Organizations (Rev. Proc. 76-10 or 85-58) (see instructions)

Table with 2 columns: Question, Yes, No. Contains question 10 regarding automatic approval for tax-exempt organizations.

Part III Ruling Request (All applicants requesting a ruling must complete Section A and any other section that applies to the entity. See instructions.)

Section A—General Information

Table with 2 columns: Question, Yes, No. Contains questions 1, 2, 3, 4a, 4b, and 5 regarding ruling requests.

		Yes	No												
<p><b>6</b> Corporations only, enter the losses or credits, if any, that were generated or that expired in the short period:</p> <table style="margin-left: 40px; width: 80%;"> <thead> <tr> <th></th> <th style="text-align:center;">Generated</th> <th style="text-align:center;">Expiring</th> </tr> </thead> <tbody> <tr> <td>Net operating loss . . . . .</td> <td style="text-align:right;">\$ _____</td> <td style="text-align:right;">\$ _____</td> </tr> <tr> <td>Capital loss . . . . .</td> <td style="text-align:right;">\$ _____</td> <td style="text-align:right;">\$ _____</td> </tr> <tr> <td>Unused credits . . . . .</td> <td style="text-align:right;">\$ _____</td> <td style="text-align:right;">\$ _____</td> </tr> </tbody> </table>		Generated	Expiring	Net operating loss . . . . .	\$ _____	\$ _____	Capital loss . . . . .	\$ _____	\$ _____	Unused credits . . . . .	\$ _____	\$ _____			
	Generated	Expiring													
Net operating loss . . . . .	\$ _____	\$ _____													
Capital loss . . . . .	\$ _____	\$ _____													
Unused credits . . . . .	\$ _____	\$ _____													
<p><b>7</b> Enter the amount of deferral, if any, resulting from the change (see section 5.05(1), (2), (3) and 6.01(7) of Rev. Proc. 2002-39, or its successor) . . . . . ▶ \$ _____</p>															
<p><b>8a</b> Is the applicant a U.S. shareholder in a CFC? . . . . . ▶                      If "Yes," attach a statement for each CFC providing the name, address, identifying number, tax year, the percentage of total combined voting power of the applicant, and the amount of income included in the gross income of the applicant under section 951 for the 3 tax years immediately before the short period and for the short period.</p>															
<p><b>b</b> Will each CFC concurrently change its tax year? . . . . . ▶                      If "Yes" to line 8b, go to Part II, line 3.                      If "No," attach a statement explaining why the CFC will not be conforming to the tax year requested by the U.S. shareholder.</p>															
<p><b>9a</b> Is the applicant a U.S. shareholder in a PFIC as defined in section 1297? . . . . . ▶                      If "Yes," attach a statement providing the name, address, identifying number, and tax year of the PFIC, the percentage of interest owned by the applicant, and the amount of distributions or ordinary earnings and net capital gain from the PFIC included in the income of the applicant.</p>															
<p><b>b</b> Did the applicant elect under section 1295 to treat the PFIC as a qualified electing fund? . . . . . ▶</p>															
<p><b>10a</b> Is the applicant a member of a partnership, a beneficiary of a trust or estate, a shareholder of an S corporation, a shareholder of an IC-DISC, or a shareholder of an FSC? . . . . . ▶                      If "Yes," attach a statement providing the name, address, identifying number, type of entity (partnership, trust, estate, S corporation, IC-DISC, or FSC), tax year, percentage of interest in capital and profits, or percentage of interest of each IC-DISC or FSC and the amount of income received from each entity for the first preceding year and for the short period. Indicate the percentage of gross income of the applicant represented by each amount.</p>															
<p><b>b</b> Will any partnership concurrently change its tax year to conform with the tax year requested? . . . . . ▶</p>															
<p><b>c</b> If "Yes" to line 10b, has any Form 1128 been filed for such partnership? . . . . . ▶</p>															
<p><b>11</b> Does the applicant or any related entity currently have any accounting method, tax year, ruling, or technical advice request pending with the IRS National Office? . . . . . ▶                      If "Yes," attach a statement explaining the type of request (method, tax year, etc.) and the specific issues involved in each request.</p>															
<p><b>12</b> Is <b>Form 2848</b>, Power of Attorney and Declaration of Representative, attached to this application? . . . . . ▶</p>															
<p><b>13</b> Does the applicant request a conference of right (in person or by telephone) with the IRS National Office, if the IRS proposes to disapprove the application? . . . . . ▶</p>															
<p><b>14</b> Enter amount of <b>user fee</b> attached to this application (see instructions) . . . . . ▶ \$ _____</p>															
<p><b>Section B—Corporations (other than S corporations and controlled foreign corporations)</b> (see instructions)</p>															
<p><b>15</b> Enter the date of incorporation. ▶</p>															
<p><b>16a</b> Does the corporation intend to elect to be an S corporation for the tax year immediately following the short period? . . . . . ▶</p>		Yes	No												
<p><b>b</b> If "Yes," will the corporation be going to a permitted S corporation tax year? . . . . . ▶                      If "No" to line 16b, attach an explanation.</p>															
<p><b>17</b> Is the corporation a member of an affiliated group filing a consolidated return? . . . . . ▶                      If "Yes," attach a statement providing <b>(a)</b> the name, address, identifying number used on the consolidated return, tax year, and Service Center where the applicant files the return; <b>(b)</b> the name, address, and identifying number of each member of the affiliated group; <b>(c)</b> the taxable income (loss) of each member for the 3 years immediately before the short period and for the short period; and <b>(d)</b> the name of the parent corporation.</p>															
<p><b>18a</b> Personal service corporations (PSCs): Attach a statement providing each shareholder's name, type of entity (individual, partnership, corporation, etc.), address, identifying number, tax year, percentage of ownership, and amount of income received from the PSC for the first preceding year and the short period.</p>															
<p><b>b</b> If the PSC is using a tax year other than the required tax year, indicate how it obtained its tax year.  <input type="checkbox"/> Grandfathered (attach copy of letter ruling)      <input type="checkbox"/> Section 444 election (date of election _____ )  <input type="checkbox"/> Letter ruling (date of letter ruling _____ (attach copy))</p>															

**Section C—S Corporations** (see instructions)

	Yes	No
<b>19</b> Enter the date of the S corporation election. ▶		
<b>20</b> Is any shareholder applying for a corresponding change in tax year? . . . . . ▶ If "Yes," each shareholder requesting a corresponding change in tax year must file a separate Form 1128 to get advance approval to change its tax year.		
<b>21</b> If the corporation is using a tax year other than the required tax year, indicate how it obtained its tax year. <input type="checkbox"/> Grandfathered (attach copy of letter ruling) <input type="checkbox"/> Section 444 election (date of election _____ ) <input type="checkbox"/> Letter ruling (date of letter ruling _____ (attach copy))		
<b>22</b> Attach a statement providing each shareholder's name, type of shareholder (individual, estate, qualified subchapter S Trust, electing small business trust, other trust, or exempt organization), address, identifying number, tax year, percentage of ownership, and the amount of income each shareholder received from the S corporation for the first preceding year and for the short period.		

**Section D—Partnerships** (see instructions)

	Yes	No
<b>23</b> Enter the date the partnership's business began. ▶		
<b>24</b> Is any partner applying for a corresponding change in tax year? . . . . . ▶		
<b>25</b> Attach a statement providing each partner's name, type of partner (individual, partnership, estate, trust, corporation, S corporation, IC-DISC, etc.), address, identifying number, tax year, and the percentage of interest in capital and profits.		
<b>26</b> Is any partner a shareholder of a PSC as defined in Regulations section 1.441-3(c)? . . . . . ▶ If "Yes," attach a statement providing the name, address, identifying number, tax year, percentage of interest in capital and profits, and the amount of income received from each PSC for the first preceding year and for the short period.		
<b>27</b> If the partnership is using a tax year other than the required tax year, indicate how it obtained its tax year. <input type="checkbox"/> Grandfathered (attach copy of letter ruling) <input type="checkbox"/> Section 444 election (date of election _____ ) <input type="checkbox"/> Letter ruling (date of letter ruling _____ (attach copy))		

**Section E—Controlled Foreign Corporations (CFC)**

	Yes	No
<b>28a</b> Is the applicant a CFC that does not qualify under Part II of this revenue procedure? . . . . . ▶ <b>b</b> If "Yes," please answer Part III, question 4 above. <b>c</b> Attach a statement for each U.S. shareholder (as defined in section 951(b)) providing the name, address, identifying number, tax year, percentage of total value and percentage of total voting power, and the amount of income included in gross income under section 951 for the 3 tax years immediately before the short period and for the short period.		

**Section F—Tax-Exempt Organizations**

	Yes	No
<b>29</b> Type of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other (specify) ▶		
<b>30</b> Date of organization. ▶		
<b>31</b> Code section under which the organization is exempt. ▶		
<b>32</b> Is the organization required to file an annual return on Form 990, 1120-C, 990-PF, 990-T, 1120-H, or 1120-POL? ▶		
<b>33</b> Enter the date the tax exemption was granted. ▶..... Attach a copy of the letter ruling granting exemption. If a copy of the letter ruling is not available, attach an explanation.		
<b>34</b> If the organization is a private foundation, is the foundation terminating its status under section 507? . . . ▶		

**Section G—Estates**

<b>35</b> Enter the date the estate was created. ▶		
<b>36a</b> Attach a statement providing the name, identifying number, address, and tax year of each beneficiary and each person who is an interested party of any portion of the estate. <b>b</b> Based on the adjusted total income of the estate entered in Part III, Section A, line 5, attach a statement showing the distribution deduction and the taxable amounts distributed to each beneficiary for the 2 tax years immediately before the short period and for the short period.		

**Section H—Passive Foreign Investment Companies**

<b>37</b> If the applicant is a passive foreign investment company, attach a statement providing each U.S. shareholder's name, address, identifying number, and percentage of interest owned.		
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**Section I—Individuals**

	Yes	No
<b>38</b> Is the applicant an individual requesting a fiscal tax year? . . . . . ▶ If the answer is "Yes," please provide the rare and unusual circumstances for the requested change.		