INTERNAL REVENUE SERVICE

Number: **INFO 2000-0174**
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UILC 1362.01-02

We are responding to correspondence, submitted on your behalf by ████████ ████, requesting relief in order to establish January 1, 2000, as the effective date for your S corporation re-election. The information submitted explains that the taxpayer wishes to re-elect S corporation status within the 5-year prohibited period under § 1362(g), but that it had 100% change in ownership.   Although we are unable to respond to to your request as submitted, this letter provides useful information relating to your request.

Generally, to request such relief, taxpayers must request a private letter ruling from the National Office. The procedures for requesting a private letter ruling are set out in Revenue Procedure 2000-1 (copy enclosed). In addition, Rev. Proc. 2000-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is $5,000. <u>However</u>, taxpayers with gross income of <u>less than $1 million</u> on their last-filed tax return qualify for a ***reduced user fee*** in the amount of <u>$500</u>.   If you are eligible to use the reduced fee provision you must include the statement described in § (B)(1)(b) of Appendix A with your request. Please review Appendix B for a sample format for requesting a private letter ruling.

If you decide to submit a formal request for a private letter ruling, please include the proper user fee. Please refer your request to our office by adding the following to the address:

> Attn: CC:CORP
> P.O. Box 7604
> Ben Franklin Station
> Washington, DC 20044
>
> <u>Direct to:</u> CC:P&SI:1
> Room 5002

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

/s/Dianna K. Miosi

DIANNA K. MIOSI
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:
Announcement 97-4
Rev. Proc. 2000-1